

SBA SMALL BUSINESS RESOURCE

U.S. SMALL BUSINESS ADMINISTRATION

MICHIGAN



Helping **SMALL
BUSINESSES**
Start, Grow
and Succeed

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BUSINESS LOANS

DEPOSIT SERVICES

LINES OF CREDIT

From the Administrator



Steven C. Preston
SBA Administrator

Several American business icons—Apple Computer, Ben & Jerry's, Staples, Intel, Nike and Federal Express to name a few—got their start with assistance from the U.S. Small Business Administration. These companies took advantage of SBA's many resources—business counseling, loan guaranties, information about federal procurement opportunities—and took their great ideas into the marketplace. The rest is history.

The SBA's **Small Business Resource Guide** is another great tool for those working to create a successful company. In its pages you'll find detailed information on SBA's varied assistance programs for small businesses.

Last year the agency made tremendous progress in helping business owners. More than 1.5 million entrepreneurs received business counseling and technical assistance from the SBA, and the agency Web site received 26 million hits. The agency currently guarantees more than \$78 billion in loans and investments. In 2005 the SBA helped small businesses secure almost \$80 billion in prime contracts from government agencies. Meanwhile, we have more than 14,000 counselors from our Small Business Development Centers, Women's Business Centers and SCORE available to small business owners or those trying to start a business.

Such resources are invaluable to small business and are often the gateway to other SBA offerings. This **Resource Guide** serves as a link to the SBA's expanding support network, providing important information about starting and growing a successful business.

President Bush recently said that when people "across the world look at America's economy what they see is low inflation, low unemployment and the fastest growth of any major industrialized nation. The entrepreneurial spirit is alive and well in the United States."

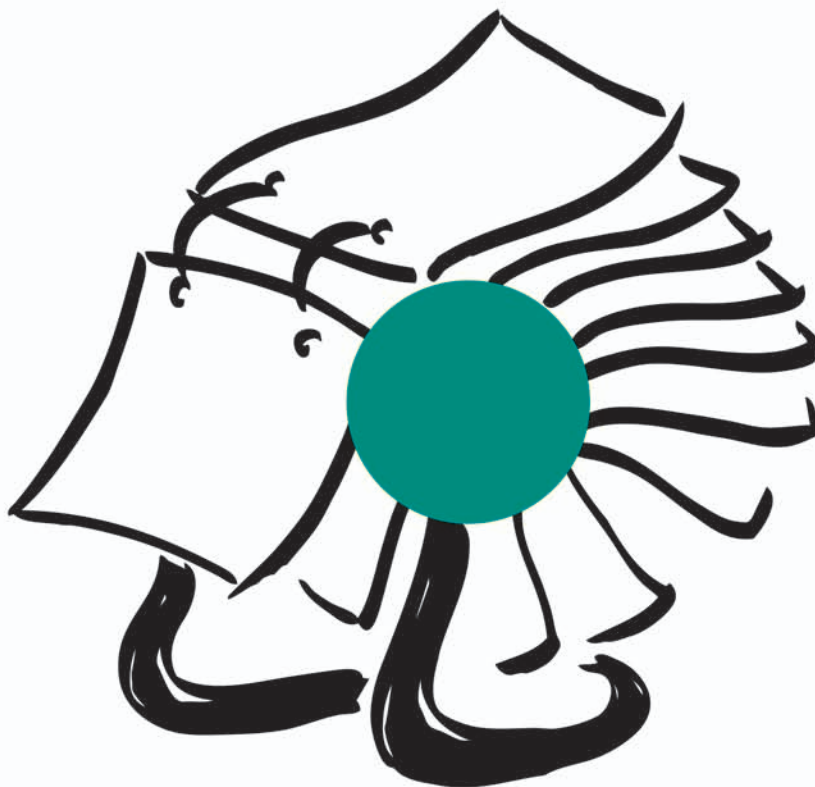
America's economy will continue to depend on the ingenuity and energy of its small business owners. There will be many partners in support of this effort, and SBA is ready to do its part.

The SBA team has worked hard to ensure the information presented in this **Resource Guide** is useful in the starting and growing of your small business. We hope you will seek assistance and advice at one of our many offices nationwide, via the Internet at www.sba.gov or through our extensive network of resource partners.

Steve Preston was unanimously confirmed by the U.S. Senate June 29, 2006, as the 22nd Administrator of the U.S. Small Business Administration. With almost 25 years of experience in financial and operational leadership positions, Preston is committed to serving the small business community.

In his business experience as an executive and as an investment banker, Preston has been deeply involved in small businesses and recognizes the vital role they play in society. Preston most recently served as Executive Vice President of The ServiceMaster Company, where he also served as chief financial officer during a period of expansion, restructuring and significant change in the regulatory environment. He worked extensively on initiatives to improve the customer experience and employee effectiveness through the use of process reengineering and technology.

Preston graduated with Highest Distinction from Northwestern University with a political science degree, and received an MBA from the University of Chicago Graduate School of Business.



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SUCCESS STORY

SBA Serves Up A Success For Restaurant

Josephine Creperie & Bistro

Jeanine has come a long way since earning a degree in environmental science in college. She had ambitions of working for Greenpeace, but after graduation she found that the type of career she really wanted was no longer available – all those positions had left the U.S. So, she rethought her plans and turned to her first love – cooking.

Jeanine and business partner Bob each have over 25 years experience in the restaurant industry, working for the Andiamo's chain and Opus One in Michigan, as well as several upscale restaurants in New York City. But the idea to own their own operation never faded, and they eventually bought equipment and started a mobile French creperie. They honed their cooking skills at high end art fairs and festivals, traversing the country, learning everything about French cooking and the creperie business. They knew they were onto something big when they won third place in a culinary competition at Denver's Cherry Creek Festival. They eventually ended up at the Festival of the Arts in Detroit and received such an overwhelming response from customers, that they began asking "Where would you like to see a French creperie in metro Detroit?"

Jeanine attended a TEAM SBA Financing Roundtable and met Patricia Salo, a senior business consultant with the Michigan Small Business and Technology Development Center. "Pat was the most help, pushing us in the right direction. We continued to meet with her because she was such a great coach and mentor," Jeanine said. "Jeanine and Bob were eager to learn as much as possible and I knew they would be successful. They were wonderful clients and I couldn't be happier for their success," said Salo. After completing their business plan, Jeanine and Bob met with a loan officer suggested by Salo.

When the two couldn't secure the start up capital from the bank that they originally had targeted, they took matters into their own hands – literally. "We regrouped and decided to forge ahead, but this time,

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Message From The District Director

Small Business Vital to Michigan's Future

Leads the way to Michigan's new economy

Small businesses are becoming increasingly vital contributors to the economy of Michigan as the state accelerates its move to a "new" economy that is less dependent on durable goods manufacturing. They already represent 98.4 percent of the state's employer businesses and employ over two million people, or 51.5 percent of the non-farm private sector workforce.

Small businesses with less than 100 employees in 2002 had a net increase of 52,318 in their employment during the following year, whereas businesses with more than 100 employees had a net decrease of 56,653 employees. From 1991 to 2003, businesses with less than five employees have been the only group that has added new jobs each and every year. (These are the latest figures available; the source is SBA's Office of Advocacy.)

Owning your own business can be a personally and financially rewarding experience, but it is also a challenge. The Small Business Administration is here to help you meet that challenge and take advantage of your opportunities. This Resource Guide details the myriad programs that you can tap as your business starts, grows, and prospers. Whether you need assistance with financing, writing a business plan, market analysis, exporting your products, or obtaining

government contracts, this guide can steer you in the right direction. Many entrepreneurs have prospered by using a mix of SBA's programs to best fit their needs.

Every year, SBA helps thousands of small business owners throughout Michigan. In fiscal year 2006, we guaranteed 3,702 loans worth nearly \$550 million to small businesses located in 461 Michigan cities within 81 counties. In addition, over 25,000 people benefited from the counseling, training, and specialized services provided by our resource partners. Finally, over 2,000 small businesses received assistance in federal government contract and exporting opportunities.

I encourage you to take full advantage of the wide array of services that SBA offers. This Resource Guide and SBA's comprehensive Web site (www.sba.gov) are great tools to find the assistance you need to help your business. Keep it handy and share its information with other entrepreneurs. I wish you great success in your endeavors.

Sincerely,

Richard Temkin

*District Director of
SBA's Michigan District Office*



■ The SBA helps business owners grow and expand their businesses every day.

Doing Business in Michigan

THE MICHIGAN DISTRICT OFFICE

SBA is the entry point to help you, the small business owner, to start, grow, and prosper. We offer customized counseling, specialized financing, and contract opportunities. Through our unique resource network, we provide the tools to help you along the path to your success as a small business owner. We are your Small Business Resource.

SBA loan activity in Michigan has increased for five consecutive years, reaching another record in FY 2006 as we guaranteed 3,702 loans worth almost \$550 million for Michigan's small businesses. SBA's loan programs are explained in this resource guide under "Financing Options to Start and Grow Your Business."

Last year our outstanding resource partners, the Michigan Small Business & Technology Development Centers (SBTDC), SCORE – Counselors to America's Business, and the Women Business Centers, helped over 25,000 people start or grow their business. Their locations are listed in the "Getting Started" section of this resource guide. SBA also helped over 2,000 people access the government contracting market. Look for these programs in the "Contracting Opportunities" section.

Our office also works with numerous community partners to bring SBA's programs to as many people as possible. Most notably, we cosponsor Michigan Celebrates Small Business, the state's premier awards ceremony for entrepreneurs and small business leaders, held annually in Lansing. SBA presents its annual small business awards, including the coveted Michigan Small Business Person of the Year award, at this event.

For more information about SBA's programs, please look at the box in the next column.

A Veteran's Affairs Officer is available to assist veterans.

Assistance to business owned and controlled by socially and economically disadvantaged individuals is available through the Business Development Program.

Special loan programs are available for businesses involved in international trade.

For more information on our services and loan programs, please contact the Michigan District Office at (313) 226-6075 or visit our Web site at www.sba.gov/mi.

For the latest information on training events in Michigan, visit our Internet Calendar of Events at:
www.sba.gov/localresources/district/mi/MI_EVENTS.html.

SBA Serves Up A Success For Restaurant

—continued from page 8

we were going to do all the work ourselves," says Jeanine. After long days at their full-time jobs, they spent evenings building tables and lighting fixtures, and refurbishing chairs and benches.

Even with all their hard work, they still needed some financing. The banker that wasn't able to approve their loan request recommended that they apply for an SBA Microloan through the Center for Empowerment and Economic Development. "Through the SBA Microloan from CEED, we were able to open the doors much sooner," said Jeanine. "Jeanine and Bob are exactly the type of entrepreneurs that we are able to help," said Michelle Richards, Executive Director of CEED. "They had a well-developed business plan, they had saved money to start their business, and they were willing to put in an incredible amount of work to make their dream a reality. It's a real sacrifice, but they were up for it."

Jeanine agrees, "When I'm determined, I always do it." When asked what the best thing about having the restaurant up and running, she doesn't hesitate, "Hearing great things from guests. I knew there was a market for our food and wine and when I hear guests tell us our food is amazing, I think – we did it."

Josephine Creperie & Bistro, which started in Ferndale in December 2003 with four employees, now employs 12. Jeanine said that the name Josephine is in memory of her grandmother and it also pays tribute to jazz singer Josephine Baker.

We Welcome Your Questions

For extra copies of this publication or questions please contact:

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INTRODUCTION

Getting Started

How The SBA Can Help You Start
And Expand Your Own Business

Every day the U.S. Small Business Administration and its nationwide network of resource partners help millions of potential and current small business owners start, grow and succeed.

Whether your target market is global or just your neighborhood, the U.S. Small Business Administration and its partners can help at every stage of turning your entrepreneurial dream into a thriving new business.

If you're just starting, the SBA and its resources can help you with loans and business management skills. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, and have your voice heard in the federal government.

You can access SBA help online 24 hours a day at www.sba.gov or visit one of our local offices for assistance. SBA resources can help organize your thoughts on what type of business you want to open.

How to Use the Resource

Our resources include the SBA's district offices serving every state and territory, nearly 400 offices of SCORE – Counselors to America's Small Businesses, more than 1,000 Small Business and Technology Development Centers primarily located on college campuses, and approximately 100 Women's Business Centers located across the country. More information about SCORE, SBTDCs and the WBCs is detailed later in this publication, or you can click on www.score.org, www.sba.gov/sbdc for SBTDCs or www.sba.gov/services/ and choose "Women's Business Centers from the "Counseling & Assistance" heading at the bottom.



These professionals can also help you with writing a formal business plan, filling out loan applications to finance your business, managing and expanding your business, finding opportunities to sell your goods or services to the government, recovering from disaster or acting as advocates for small businesses with Congress and regulatory agencies.

The SBA even has programs for helping special audiences, such as women and veterans, become small business owners.

Most new business owners who succeed have planned for every phase of their success. Thomas Edison, the great American inventor, once said, "Genius is 1 percent inspiration and 99 percent perspiration." That same philosophy also applies to starting a business.

First you'll need to generate a little bit of perspiration deciding whether you're the right type of person to start your own business.

ON THE UPSIDE

It's true, there are a lot of reasons not to start your own business. But for the right person, the advantages of business ownership far outweigh the risks.

- You get to be your own boss.
- Hard work and long hours directly benefit you, rather than increasing profits for someone else.
- A new venture is exciting.
- Earnings and growth potential are far less limited.
- Running a business will provide endless variety, challenge and opportunities to learn.

1. Are you a self-starter?

It will be up to you – not someone else telling you – to develop projects, organize your time and follow through on details.

2. How well do you get along with different personalities?

Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, lawyers, accountants and consultants. Can you deal with a demanding client, an unreliable vendor or a cranky staff person?

3. How good are you at making decisions?

Small business owners are required to make decisions constantly, often quickly, under pressure.

4. Do you have the physical and emotional stamina to run a business?

Business ownership can be challenging, fun and exciting. But it's also a lot of hard work. Can you face 12-hour workdays six or seven days a week?

5. How well do you plan and organize?

Research indicates many business failures could have been avoided through better planning. Good organization – of financials, inventory, schedules, production – can help avoid pitfalls.

IS ENTREPRENEURSHIP FOR YOU?

In business, there are no guarantees. There is simply no way to eliminate all the risks associated with starting a small business – but you can improve your chances of success with good planning, preparation, and insight. Start by evaluating your strengths and weaknesses as a potential owner and manager of a small business. Carefully consider each of the following questions:

Are you a self-starter? It will be entirely up to you to develop projects, organize your time, and follow through on details.

How well do you get along with different personalities? Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, and professionals such as lawyers, accountants, or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?

How good are you at making decisions? Small business owners are required to make decisions constantly – often quickly, independently, and under pressure.

Do you have the physical and emotional stamina to run a business? Business

ownership can be exciting, but it's also a lot of work. Can you face six or seven 12-hour workdays every week?

How well do you plan and organize? Research indicates that poor planning is responsible for most business failures. Good organization of financials, inventory, schedules and production can help you avoid many pitfalls.

Is your drive strong enough? Running a business can wear you down emotionally. Some business owners burn out quickly from having to carry all the responsibility for the success of their business on their own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.

How will the business affect your family? The first few years of business start-up can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk in the short-term.

Once you've answered those questions, you should consider what type of business you want to start.

FRANCHISING

Franchisees have been active participants in the SBA's small business loan program for many years.

There are primarily two forms of franchising:

- 1) product/trade name franchising and
- 2) business format franchising.

In the simplest form of franchising, while you own the business, its operation is governed by the terms of the franchise agreement. For many, this is the chief benefit for franchising. You are able to capitalize on a business format, trade name, trademark and/or support system provided by the franchisor. But you operate as an independent contractor with the ability to make a profit or sustain a loss commensurate with your ownership.

There are more than 3,000 franchised businesses. The challenge is to decide on one that both interests you and is a good investment. Many franchising experts suggest that you comparison shop by looking at multiple franchise opportunities before deciding on the one that's right for you.

Some of the things you should look at when evaluating a franchise: profitability, effective financial management and other controls, a good image, integrity and commitment, and a successful industry.

If you are concerned about the risk involved in a new, independent business venture, then franchising may be the best business option for you. Remember that hard work, dedication and sacrifice are key elements for success.

For more information visit the SBA Web site at:

www.sba.gov/smallbusinessplanner/start/ and click on "Buy a Franchise" from the menu on the right side; or visit the Franchise Registry at www.franchiseregistry.com/ or call your local SBA office.

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HOME-BASED BUSINESS CONSIDERATIONS

Going to work used to mean traveling from home to a plant, store or office. Today many people do some or all their work at home.

Garages, basements and attics are being transformed into the corporate headquarters of the newest entrepreneurs – the home-based business person.

Getting Started

Before diving headfirst into a home-based business, you must know why you are doing it. To succeed, your business must be based on something greater than a desire to be your own boss. You must plan and make improvements and adjustments along the road.

Ask yourself these questions – and remember, there are no best or right reasons for starting a home-based business. But it is important to understand what the venture involves.

Working under the same roof where your family lives may not prove to be as easy as it seems. It's important to work in a professional environment. One suggestion is to set up a separate office in your home to create this professional environment.

Ask yourself:

- Can I switch from home responsibilities to business work?
- Do I have the self-discipline to maintain schedules?
- Can I deal with the isolation of working from home?
- Am I a self-starter?

Finding Your Niche

Choosing a home business must be approached carefully.

Ask yourself:

- Does my home have the space for a business?
- Can I identify and describe the business I want to establish?
- Can I identify my business product or service?
- Is there a demand for that product or service?
- Can I successfully run the business from home?

Legal Requirements

A home-based business is subject to many of the same laws and regulations affecting other businesses.


Some general areas include:

- Zoning regulations. If your business operates in violation of them, you could be fined or shut down.
- Product restrictions. Certain products cannot be produced in the home. Most states outlaw home production of fireworks, drugs, poisons, explosives, sanitary or medical products and toys. Some states also prohibit home-based businesses from making food, drink or clothing.

Be sure to consult an attorney and your state's department of labor to find out which laws and regulations will affect your business. Additionally, check on registration and accounting requirements needed to open your home-based business. You may need a work certificate or license from the state. Your business name may need to be registered with the state. For home-based businesses, a separate business telephone and bank account are normally required.

Also remember, if you have employees you are responsible for withholding income and social-security taxes, and for complying with minimum wage and employee health and safety laws.

If you're convinced that working from home is for you, it's time to create your business plan. The SBA and its resource partners, such as SCORE, SBTDCs and WBCs can help make the process easier.

 **TIP:** Many local organizations such as SCORE "Counselors to America's Small Business" and the Michigan Small Business & Technology Development Centers offer pre-business planning workshops which can be very worthwhile for the aspiring entrepreneur. This type of workshop will introduce you to all the issues you should consider before starting a business.

WOMEN BUSINESS OWNERS

Women entrepreneurs are changing the face of America's economy. The SBA serves women entrepreneurs nationwide through its various programs and services, some of which are designed especially for women. There are women's business ownership representatives in every SBA district office to help women access all of SBA's programs and services, including loan guaranties, federal contracting opportunities, training, counseling and more. These local representatives can also provide information about other local resources available for women entrepreneurs.

Another valuable tool available for women business owners and entrepreneurs is the Women's Business Center Program, funded in part through a cooperative agreement with

the SBA. Located across the country, approximately 100 WBCs provide training, technical assistance, counseling and mentoring specifically to women, especially those who are socially and economically disadvantaged. Mindful of the special needs of women entrepreneurs, the centers try to offer their services at the times and in the places most convenient to economically challenged women. In addition, some centers provide child care, and many provide their materials in Spanish and other languages, depending on the unique needs of the communities in which they are located. Many classes offered by the centers are either free or offered for a small fee. And often there are scholarships to help those who need them.

If you can't get to a Women's Business Center, the full range of services is available through the SBA's Web site for women entrepreneurs, which provides access to all of the SBA's online services, including its extensive library of information, training courses and electronic tools designed to help small businesses. This site also contains information about the services available in local communities. To find it, click on: <http://www.sba.gov/services/> and choose "Women's Business Centers" from the "Counseling & Assistance" heading at the bottom.



The SBA WBCs in Michigan are:

Cornerstone Alliance

38 W. Wall Street/P.O. Box 428
Benton Harbor, MI 49023-0428
(269) 925-6100 • (269) 925-4471 Fax
www.cstonealliance.org/wbc
Serves Southwest Michigan
Features: Business Consultation, Economic Literacy and Financial Management Training, Core Four Business Planning Course, Internet Training, Women's Network for Entrepreneurial Training Roundtables, Women and Minority Certification Assistance, Child Care Certification, and much more.

Introduction

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www.deibus.org
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Grand Rapids Opportunities for Women

25 Sheldon Boulevard S.E., Suite 210
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www.growbusiness.org
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www.miced.org
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Women Business Enterprise Certification

The Michigan Women's Business Council (MWBC) serves as a partner with the Women's Business Enterprise National Council to assist women business owners with women's business certification and access to private and government markets. Note: there is no certification requirement for women-owned businesses to do business with the federal government. For more information on the MWBC call (734) 677-1400 or visit www.wbenc.org.

Michigan Women's Marketplace

The Michigan Women's Marketplace is an online resource for women business owners and those supporting woman-owned businesses by providing a comprehensive Women's Business Directory, statewide events calendar, an interactive training center, and a

list of business resources. For more information visit: www.miwomen.com.

VETERANS BUSINESS DEVELOPMENT

The SBA offers a variety of services to American veterans who have made or are seeking to make the transition from soldier to small business owner. Each of SBA's 69 district offices throughout the country has designated a Veterans Business Development Officer to help veterans prepare and plan for entrepreneurship. The Veterans Business Outreach Program provides entrepreneurial development services such as business training, counseling and mentoring to eligible veterans owning or considering starting a small business. SBTDCs and SCORE also provide management assistance to veterans who are current and prospective small business owners. SCORE also provides resources and counseling services online at: www.score.org

The Small Business and Technology Development Centers provides resources and training tools online at: www.gvsu.edu/misbtcdc/.

The SBA offers special assistance for activated Reserve and National Guard members and the small businesses they work in or own. Any self-employed Reserve or Guard member with an existing SBA loan can request from their SBA lender or SBA district office loan payment deferrals, interest rate reductions and other relief after they receive their activation orders.

The SBA offers special low-interest-rate financing to small businesses when an owner or essential employee is called to active duty. The Military Reservist Economic Injury Disaster Loan Program provides loans to eligible small businesses to cover operating costs that cannot be met due to the loss of a key employee called to active duty in the reserves or National Guard. Small businesses may apply for MREIDLs of up to \$1.5 million if they have been financially impacted by the loss of an essential employee. The SBA has created a special Web page specifically for Reserve and Guard members at: www.sba.gov/reservists

To ensure that veterans, service-disabled veterans and Reserve and National Guard member entrepreneurs receive special consideration in all its entrepreneurial programs and resources, the SBA has established a fully staffed Office of Veterans Business Development. OVBD develops and distributes various informational materials for entrepreneurship such as the Veterans

Business Resource Guide, VETGazette, Getting Veterans Back to Work, and various other materials. Veterans may access these resources and other assistance from OVBD by visiting the Web site at: www.sba.gov/VETS/

For more information on special government contracting programs for veterans and service-disabled veterans, please check the Contracting Opportunities section of this publication.

NATIVE AMERICAN BUSINESS DEVELOPMENT

The SBA also features programs for American Indians, Native Alaskans and Native Hawaiians seeking to create, develop and expand small businesses. These groups have full access to the necessary business development and expansion tools available through the agency's entrepreneurial development, lending and procurement programs. More information is at:

www.sba.gov/aboutsba/sbaprograms/naa/index.html

CHOOSING YOUR BUSINESS STRUCTURE

You may operate your business under one of many organizational structures generally chosen for liability and tax reasons. The most common organizational structures are sole proprietorships, general and limited partnerships, "C" and "S" corporations and limited liability companies.

Each structure offers unique tax and liability benefits appropriate for different personnel situations. If you're uncertain where to start, contact your local SBA office, SBTDC, SCORE or WBC for assistance.

Sole Proprietorship

One person operating a business as an individual is a sole proprietorship. It's the most common form of business organization. Profits are taxed as income to the owner personally. The personal tax rate is usually lower than the corporate tax rates. The owner has complete control of the business, but faces unlimited liability for its debts. There is very little government regulation or reporting.

General Partnership

A partnership exists when two or more persons join together in the operation and management of a business. Partnerships are subject to relatively little regulation and are fairly easy to establish. A formal partnership is recommended to address potential conflicts such as, who will be responsible for performing each task; what, if any, consultation is needed between partners before

major decisions, what happens when a partner dies, and so on. Under a general partnership each partner is liable for all debts of the business. Profits are taxed as income to the partners based on their ownership percentage.

Limited Partnership

Like a general partnership, this is established by an agreement between two or more individuals. However, there are two types of partners.

- A general partner has greater control in some aspects of the partnership. For example, only a general partner can decide to dissolve the partnership. General partners have no limits on the dividends they can receive from profit so they incur unlimited liability.
- Limited partners can only receive a share of profits based on the proportional amount on their investment, and the liability is similarly limited in proportion to their investment.

"C" Corporation

A "C" corporation is a legal entity made up of persons who have a charter legally recognizing the corporation as a separate entity having its own rights, privileges and liabilities, apart from those of the individuals forming the corporation. It's the most complex

form of business organization and is comprised of shareholders, directors and officers. The corporation can own assets, borrow money and perform business functions without directly involving the owners. Corporations are subject to more government regulation and have the advantage of limited liability, but not total protection from lawsuits.

Subchapter "S" Corporation

This is a special section of the Internal Revenue Code and permits a corporation to be taxed as a partnership or sole proprietorship, with profits taxed at the individual, rather than the corporate rate. A business must meet certain requirements for Subchapter "S" status. Contact the IRS for information.

LLCs and LLPs

The limited liability company is a popular business form. It combines selected corporate and partnership characteristics while still maintaining status as a legal entity distinct from its owners. As a separate entity it can acquire assets, incur liabilities and conduct business. It limits liability for the owners. LLC owners risk only their investment, not personal assets. The limited liability partnership is similar to the LLC, but it is aimed at professional organizations.



TIP: For more information on the different requirements for legal structures in Michigan, contact the Bureau of Commercial Services in Lansing at (517) 241-6470 or visit:

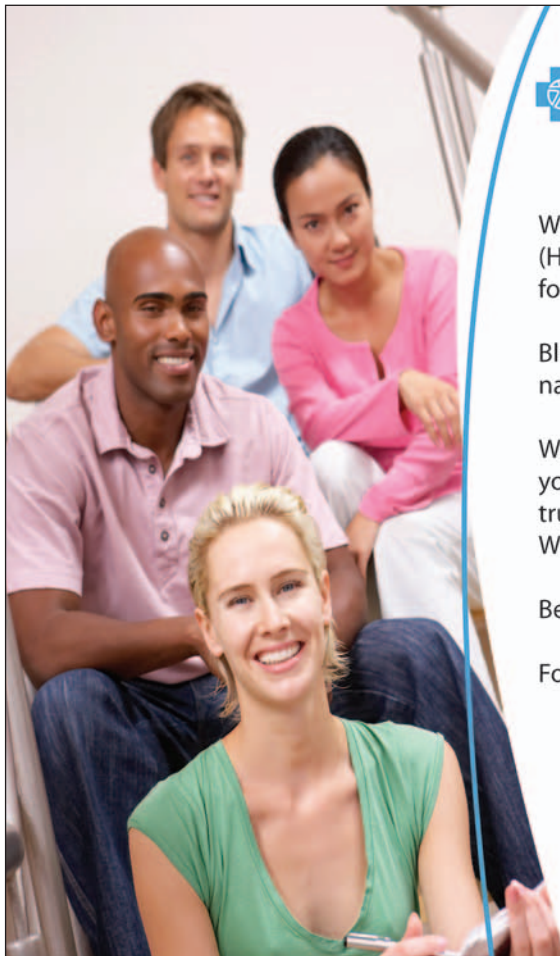
www.michigan.gov/cis. The Michigan Non-profit Association has a "Getting Started" packet for non-profit organizations. For more information call (517) 492-2400 or visit www.mnaonline.org/.

WRITING A BUSINESS PLAN

After you've thought about your business, the next step is to develop a business plan. The business plan is a formal document explaining in some detail your plans to develop a financially successful business. It's vitally important for two reasons:

- Preparing a business plan forces you to think through every aspect of your business. If you need outside money, your business plan will be one of the first things the lender or investor wants to see.
- A business plan serves as an assessment tool for you.

A comprehensive business plan is not done on the spur of the moment. It can be a long



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For more information, contact your agent or visit bcbsm.com.



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Introduction

process, and you need good advice. The SBA and its resource partners, including Small Business and Technology Development Centers located on many college campuses, Veterans Business Outreach Centers, SCORE, Counselors to America's Small Business, and Women's Business Centers have the expertise to help you craft a winning business plan. You can find the nearest SBTDC at:

www.sba.gov/sbdc/ or www.gvsu.edu/misbtdc
The nearest SCORE chapter can be located at: www.score.org

To find WBCs, click on:

<http://www.sba.gov/services/> and choose "Women's Business Centers" from the "Counseling & Assistance" heading at the bottom.

You can also find business-plan help on the SBA's Web site at:

<http://www.sba.gov/smallbusinessplanner/> then choose "Writing a Business Plan" from the "Plan Your Business" menu along the bottom.

IN GENERAL, HERE'S WHAT A GOOD BUSINESS PLAN CONTAINS:

Introduction

- Give a detailed description of the business and its goals.
- Discuss ownership of the business and its legal structure.
- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over competitors.

Marketing

- Discuss the products and services your company will offer.
- Identify customer demand for your products and services.
- Identify your market, its size and locations.
- Explain how your products and services will be advertised and marketed.
- Explain your pricing strategy.

Financial Management

- Explain your source and the amount of initial equity capital.
- Develop a monthly operating budget for the first year.
- Develop an expected return on investment and monthly cash flow for the first year.
- Provide projected income statements, and balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.

- Provide "what if" statements addressing alternative approaches to problems that may develop.

Operations

- Explain how the business will be managed day-to-day.
- Discuss hiring, personnel procedures.
- Discuss insurance, lease or rent agreements, and issues pertinent to your business.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

Concluding Statement

Summarize your business goals and objectives and express your commitment to the success of your business. Once you have completed your business plan, review it with a friend or business associate or SCORE counselor or Small Business and Technology Development Center representative.

When you feel comfortable with the content and structure, review and discuss it with your lender. Remember, the business plan is a flexible document that should change as your business grows.

BUSINESS.GOV

Business.gov, the official business link to the U.S. government, is managed by the SBA in partnership with federal agencies providing business-oriented programs and services.

Business.gov helps businesses save time and money spent on regulatory compliance by providing quick and easy access to business laws, government regulations, forms and agency contacts. The Web site also offers compliance guides and a compliance search mechanism.

The compliance guides provide easy access to resources and programs that help businesses understand their regulatory requirements and improve their operations. Organized by Business Area and Industries, these guides provide a one-stop shop for regulatory assistance and include links to clearly written fact sheets, guidelines, answers to frequently asked questions, interactive tools, training resources and contacts at federal regulatory agencies. Business.gov also features a unique search engine which intelligently locates, organizes and retrieves compliance assistance information published by federal regulatory agencies searchable by business topics or industry.

You're just a computer click away from help 24-hours a day at: www.business.gov

SCORE

SCORE is a 10,500-member volunteer association which operates under a cooperative agreement with the U.S. Small Business Administration. SCORE matches volunteer business-management counselors with clients in need of expert advice. SCORE has experts in virtually every area of business management and maintains a national skills roster to help identify the best counselor for a particular client. Volunteer counselors, whose collective experience spans the full range of American enterprise, share their management and technical expertise with both present and prospective small business owners.

A nonprofit association, SCORE has dedicated more than 40 years to helping small businesses succeed.

Most SCORE volunteers are retired business owners or managers, though some members are still actively employed. Volunteers work in or near their home communities to provide management counseling and training to first-time entrepreneurs and current small business owners. They meet with clients at a SCORE chapter office, an SBA office or at the client's place of business.

Every effort is made to match a client's needs with a counselor who is experienced in a comparable line of business. All individual and team counseling is free; there may be a nominal fee for workshops and seminars.

Through in-depth counseling and training, SCORE volunteers help prospective and established small business owners and managers identify problems, determine the causes and find solutions.

Any small business can obtain help from SCORE. Whether you are considering starting your own business, have a business that is experiencing problems, are ready to expand, or need some other type of advice, SCORE can help. The approach is confidential and personal. You don't need to be applying for or have an SBA loan to participate in the program. In fact, an idea is all that is necessary; consultation and counseling before a business start-up is an important part of SCORE's service.

Southeast Michigan - Chapter 18

Small Business Administration
477 Michigan Avenue, Room 515
Detroit, MI 48226
(313) 226-7947
detscore@sbcglobal.net
www.scoredetroit.org
Hours Mon-Fri 10:00am - 3:00pm

Birmingham/Bloomfield Chamber

124 W. Maple
Birmingham, MI 48009
(248) 644-1700

Clarkston Area Chamber

5856 S. Main Street
Clarkston, MI 40346
(248) 625-8055

Clawson Chamber of Commerce

425 N. Main Street
Clawson, MI 48017
(248) 435-6500

Dearborn Chamber of Commerce

15544 Michigan Avenue
Dearborn, MI 48126-2901
(313) 584-6100

Detroit Regional Chamber

One Woodward Avenue, 19th Floor
Detroit, MI 48226
(313) 226-7947

Farmington/Hills Chamber of Commerce

30903 W. Ten Mile Road
Farmington Hills, MI 48336
(248) 474-3440

Ferndale Chamber of Commerce

415 E. Nine Mile Road
Ferndale, MI 48220-1721
(248) 542-2160

MI Veterans Business Resource Center

400 S. Dort Highway
Flint, MI 48502
(810) 767-8387

Grosse Pointe Chamber of Commerce

710 Notre Dame
Grosse Pointe, MI 48230
(313) 881-4722

Lansing Regional Chamber of Commerce

500 E. Michigan, Suite 205
Lansing, MI 48912
(517) 487-6340
www.score-lansing-mi.com

Lapeer Development Corporation

449 McCormick Drive
Lapeer, MI 48446
(810) 667-0080

Livonia Chamber of Commerce

33233 Five Mile Road
Livonia, MI 48154
(734) 427-2122

Madison Heights Chamber of Commerce

724 W. Eleven Mile Road
Madison Heights, MI 48071
(248) 542-5010

Huron Valley Chamber of Commerce

317 Union Street
Milford, MI 48381-1983
(248) 685-7129

Monroe County Chamber of Commerce

106 W. Front Street
Monroe, MI 48161
(734) 242-3366

Macomb County Chamber

28 First Street, Suite B
Mt. Clemens, MI 48043
(586) 493-7600

Oakland County Economic Dev. Group

Executive Office Building
1200 N. Telegraph Road
Pontiac, MI 48341
(248) 858-0783

Richard Area Chamber of Commerce

68371 Oak Street
Richmond, MI 48062
(586) 727-3266
kim@racconline.org

Greater Rochester Chamber

71 Walnut Boulevard, Suite 110
Rochester, MI 48307-2073
(248) 651-6700

Greater Royal Oak Chamber

200 S. Washington Avenue
Royal Oak, MI 48067-3821
(248) 547-4000

Metro East Chamber of Commerce

27601 Jefferson Avenue
St. Clair Shores, MI 48081
(586) 777-2741

Hispanic Chamber of Commerce

24445 Northwestern Highway, Suite 206
Southfield, MI 48075
(248) 208-9915

Lawrence Technological University

Room 337, Buell Building
21000 W. Ten Mile Road
Southfield, MI 48075-1058
(313) 226-7947

Southfield Chamber of Commerce

17515 W. Nine Mile Road, Suite 750
Southfield, MI 48075
(248) 557-6661

Southfield Public Library

26300 Evergreen Road
Southfield, MI 480766
(313) 226-7947

Downriver Community Conference

15100 Northline Road
Southgate, MI 48195
(734) 362-3477

Southern Wayne Co. Regional Chamber

20600 Eureka Road, Suite 315
Taylor, MI 48180
(734) 284-6000

Troy Chamber of Commerce

4555 Investment Drive, Suite 300
Troy, MI 48098
(248) 641-8151

SBTDC @ Delta College

1961 Delta Road
University Center, MI 48710
(989) 686-9000

Macomb County Chamber

31201 Chicago Road, Suite C105
Warren, MI 48093
(586) 268-6430

Michigan Business and Professional Association

27700 Hoover Road
Warren, MI 48093
(586) 393-8810

West Bloomfield Chamber of Commerce

6668 Orchard Lake Road, Suite 207
West Bloomfield, MI 48322
(248) 626-3636

Kalamazoo - Chapter 433

Kalamazoo Chamber of Commerce
346 W. Michigan Avenue
Kalamazoo, MI 49007
(269) 381-5382 • (269) 384-0096 Fax
info@scorekazoo.org
www.scorekazoo.org

Cornerstone Alliance

38 W. Wall Street
Benton Harbor, MI 49022-4735
(269) 925-6100
score@ctstonealliance.org

Constantine Incubation Center

186 S. Washington Street
Constantine, MI 49042
(269) 435-2085
constantinemanager@voyager.net

Holland - Chapter 686

Holland Chamber of Commerce
272 E. 8th Street
Holland, MI 49423
(616) 392-2389
score_0686@yahoo.com
www.scoreholland.org

Traverse City - Chapter 578

Traverse City Chamber of Commerce
202 E. Grandview Parkway
Traverse City, MI 49684
(231) 947-5075
score@tcchamber.org
www.score-tvc.org

Ludington Chamber of Commerce

5300 W. US-10
Ludington, MI 49431-2449
(231) 845-0324 • (231) 845-6857 Fax

Manistee Chamber of Commerce

11 Cypress Street
Manistee, MI 49660
(231) 723-2575
jvirta@manistee.com
www.manisteecountychamber.com/score.html

Petoskey - Chapter 622

Petoskey/Harbor Springs Chamber
401 E. Mitchell Street
Petoskey, MI 49770-9961
(231) 347-4150
chamber@petoskey.com
www.tipofthemittscore.org/

Introduction

Grand Rapids – Chapter 642

Grand Rapids Chamber of Commerce
111 Pearl Street N.W.
Grand Rapids, MI 49503-2831
(616) 771-0305
score@grandrapids.org
www.scoregr.org

Cadillac – Chapter 651

Cadillac Area Chamber of Commerce
222 Lake Street
Cadillac, MI 49601
(231) 775-9776
score@cadillac.org
www.scorecadillac.org

Mecosta County Area Chamber

246 N. State Street
Big Rapids, MI 49307
(231) 796-7649

Muskegon – Chapter 653

Muskegon Area Chamber of Commerce
900 3rd Street, Suite 200
Muskegon, MI 49443
(231) 722-3751
score@muskegon.org
www.scoremuskegon.org

Grand Haven Area Chamber of Commerce

One S. Harbor Drive
Grand Haven, MI 49417
(616) 842-4910

White Lake Area Chamber of Commerce

124 W. Hanson Street
Whitehall, MI 49461
(231) 893-4585

Fremont Area Chamber of Commerce

7 E. Main Street
Fremont, MI 49412
(231) 924-7931

Newaygo Area Chamber Of Commerce

28 State Road, City Hall
Newaygo, MI 49337
(231) 924-7931

Ann Arbor – Chapter 655

Ann Arbor Chamber of Commerce
115 W. Huron Street
Ann Arbor, MI 48104
(734) 665-4433
info@annarborscore.org
www.annarborscore.org

Lenawee Chamber for Economic Dev.

5285 W. US Highway 223, Suite A
Adrian, MI 49221
(517) 265-5141

Belleville Area Chamber of Commerce

248 Main Street
Belleville, MI 48111-2645
(734) 697-7151 • (734) 697-1415 Fax

Blissfield Chamber of Commerce

P.O. Box 25
Blissfield, MI 49228
(517) 486-3642

Hartland Chamber of Commerce

3552 Avon Street
Hartland, MI 48353
(810) 632-9130

Holly Chamber of Commerce

120 S. Saginaw Street
Holly, MI 48442
(248) 634-1900

Howell Chamber of Commerce

123 Washington Street
Howell, MI 48843
(517) 546-3920

South Lyon Chamber of Commerce

125 N. Lafayette
South Lyon, MI 48178
(248) 437-3257

Washtenaw Community College

301 W. Michigan Avenue, Suite 101
Ypsilanti, MI 48197
(734) 547-9170

SCORE's Presence on the Internet

SCORE can also be found on the Internet at www.score.org. SCORE's presence on the Internet makes it possible to reach more small business clients than ever with mentoring and counseling services.

Business owners are now turning to the technology of the Web to fulfill their needs for information and advice. SCORE is primed to meet their requests for help by offering e-mail counseling, maps to local SCORE chapters, hotlinks to other business resources on the Internet and more at the click of a mouse. E-mail counseling is provided by the Cyberchapter, which now includes more than 1,200 online members. You can choose from almost 800 unique skills to find the cybercounselor who best suits your individual needs, including special counseling for veterans, service-disabled veterans and Reserve component members. Log on to SCORE's Internet site to take advantage of the many services SCORE has to offer your business.

RETAP Program

The Retired Engineer Technical Assistance Program (RETAP) was established by the State of Michigan to help small businesses and institutions prevent pollution, reduce waste and conserve energy. RETAP assessment teams consist of retirees from many Michigan industries who are willing to apply their skills, expertise, and time to assess potential pollution and waste problems and to provide suggestions and recommendations for improvement. The assessments are performed free of charge and only at the request of the business. A confidential report is provided

only to the assessed business or institution. Business may receive assistance with:

- Basic technical assistance in pollution prevention and energy conservation.
- Identification of pollution prevention and energy conservation opportunities, including suggestions and recommendations for their remediation.
- Research and education to further the goal of pollution prevention.
- Assistance in obtaining low interest loans for pollution prevention actions.

Additional information may be obtained by calling the RETAP office at (517) 241-8176 or visiting: www.michigan.gov/deq/0,1607,7-135-3585_4848---,00.html.

Michigan Small Business & Technology Development Centers (SBTDC)

The Michigan Small Business & Technology Development Centers work in coordination with federal, state, local and private-sector resources, including funding through a cooperative agreement with the SBA, to meet the needs of small businesses. They play a key role in economic development within local communities by helping create and retain jobs. SBTDCs provide services such as analysis of business feasibility, and the development of business plans and marketing and sales strategies. They assist companies in putting together their financials, to prepare them for both conventional and non-conventional financing. Based on client needs, SBTDCs tailor their services to meet the evolving needs of the local small business community.

Michigan, as an ASBDC Technology-accredited state (www.asbdc-us.org), serves not only traditional service, retail, and small manufacturers, but also serves Michigan's emerging technology sector. The MI-SBTDC plays a key role for the state of Michigan's economic development corporation in assisting innovators in their commercialization process, targeting: life science, homeland security, alternative energy, and advanced manufacturing/materials handling companies.

Across the country, SBTDCs deliver management and technical assistance to small businesses using an effective business education network of 63 lead centers and more than 1,000 service-center locations contracted to manage a broad-based SBTDC program. SBTDCs are located throughout the U.S., District of Columbia, Guam, Puerto Rico, American Samoa and the U.S. Virgin Islands. Their services are available to all small businesses or prospective small businesses. There are specialized programs for minorities, women, veterans, persons with disabilities, 8(a) businesses in all stages, and persons in

low and moderate income within urban and rural areas. As the SBA's largest non-finance program, SBTDCs meet the counseling and training needs of nearly 1 million start-ups or existing business clients annually.

For more information, visit the Web site at: www.sba.gov/SBDC. All consulting services are at no cost and are confidential. Each center also offers a variety of training seminars at low or no cost. Please contact the center closest to you for more information or visit MI-SBTDC's Web site at: www.gvsu.edu/misbtdc

STATE HEADQUARTERS

www.gvsu.edu/misbtdc

Grand Valley State University

510 W. Fulton
Grand Rapids, MI 49504
(616) 331-7480 • (616) 331-7485 Fax
sbtdchq@gvsu.edu
Carol Lopucki, State Director

REGION 1 – Upper Peninsula

Serves: Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon and Schoolcraft counties.
www.gvsu.edu/misbtdc/region1

Michigan Works!

2950 College Avenue
Escanaba, MI 49829
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jschultz@jobforce.org
Joel Schultz, Regional Director

ADDITIONAL COUNSELING LOCATIONS

Dickinson Area Partnership

600 S. Stephenson Avenue
Iron Mountain, MI 49801
(906) 774-2002 • (906) 774-2004 Fax
moreinfo@dickinsonchamber.com

Iron County EDC

2 S. Sixth Street, Suite 8
Crystal Falls, MI 49920
(906) 875-6688 • (906) 875-0657 Fax
edc@iron.org

Keweenaw Bay Indian Community

107 Beartown Road
Baraga, MI 49908
(906) 353-6623 • (906) 353-7540 Fax
www.ojibwa.com

Lake Superior Community Partnership

501 S. Front Street
Marquette, MI 49855
(906) 226-6591 • (906) 226-2099 Fax
info@marquette.org

Marinette/Menominee Area Chamber of Commerce

1005 Tenth Avenue
Menominee, MI 49858
(715) 735-6881

Ontonagon County EDC

725 Greenland Road
Ontonagon, MI 49953
(906) 884-4188 • (906) 884-2916 Fax
ontcoedc@jamadots.com
www.ontonagonmi.com

Sault Area Chamber of Commerce

2581 I-75 Business Spur
Sault Ste. Marie, MI 49783
(906) 632-3301 • (906) 632-2331 Fax
info@saultstemarie.org
www.saultstemarie.org

Schoolcraft County EDC

300 Walnut Street
Manistique, MI 49854
(906) 341-5126 • (906) 341-5555 Fax
www.schoolcraftedc.com

Luce County EDC

407 W. Harrie Street
Newberry, MI 49868
(906) 293-5982 • (906) 293-2904 Fax
www.luceedc.org/index.html

Mackinac County EDC

100 S. Marley Street, Room 125
St. Ignace, MI 49781
(906) 643-7307 • (906) 642-6581 Fax
edc@mackinacounty.net



SMALL BUSINESSES ALL OVER MICHIGAN AGREE: Citizens Bank is the trusted choice for SBA loans. In 2006, Citizens Bank secured more SBA loan dollars for their small business clients than any other Michigan-based bank. And Citizens was voted **"2006 NEW MARKET LENDER OF THE YEAR"** for our excellence in serving the needs of women in business, minorities and veterans. Citizens Bankers succeed because we take the time to understand your business plan, and we're empowered to give you straight answers – fast. Your dream is only a call and a Citizens Bank SBA loan away.

To talk to a Citizens Banker about your SBA loan, call **1-800-946-2264** today.



Introduction

Munising Area Partnership for Development

114 W. Superior Street
Munising, MI 49862
(906) 387-1818
www.munisinginfo.com

REGION 2 – Traverse Bay Area

Serves: Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee and Wexford counties.
www.gvsu.edu/misbtddc/region2

Northwest Michigan Council of Governments

1209 S. Garfield, Suite C/P.O. Box 506
Traverse City, MI 49685-0506
(231) 922-3780 • (231) 929-5042 Fax
cwendel@nwm.cog.mi.us
Chris Wendel, Regional Director

ADDITIONAL COUNSELING LOCATIONS Little Traverse Bay Band of Odawa

7500 Odawa Circle
Harbor Springs, MI 49740
(231) 242-1489 • (231) 242-1490 Fax
HDorf@LTBBODAWA-NSN.GOV

Manistee Economic Council

11 Cypress Street
Manistee, MI 49660
(231) 723-4325 • (231) 723-1515 Fax
edo@manistee.com

Northern Lakes Economic Alliance

1313 Boyne Avenue/P.O. Box 8
Boyne City, MI 49712-0008
(231) 582-6482 • (231) 582-3213 Fax
wendy@northernlakes.net

Traverse City Area Chamber of Commerce

202 E. Grandview Parkway/P.O. Box 387
Traverse City, MI 49685-0387
(231) 947-5075 • (231) 946-2565 Fax
info@tcchamber.org

REGION 3 – North East Michigan

Serves: Alcona, Alpena, Cheboygan, Crawford, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle and Roscommon counties.
www.gvsu.edu/misbtddc/region3

Alpena Community College

666 Johnson Street
Alpena, MI 49707
(989) 358-7375 • (989) 358-7554 Fax
mehargk@alpenacc.edu
Carl Bourdelais, Regional Director

ADDITIONAL COUNSELING LOCATIONS Cheboygan Area Chamber of Commerce

124 Main Street/P.O. Box 69
Cheboygan, MI 49721
(231) 627-7183 • (231) 627-2770 Fax
mgrisdale@cheboygan.com

Indian River Chamber of Commerce

3435 S. Straits Highway/P.O. Box 57
Indian River, MI 49749
(800) 394-8310 • (231) 238-0949 Fax
info@irchamber.com

Ogemaw County EDC

205 S. Eighth Street
West Branch, MI 48661
(989) 345-0692 • (989) 345-1284 Fax
zoiaj@msu.edu

Otsego County Economic Alliance

1062 Cross Street
Gaylord, MI 49735
(989) 731-0288 • (989) 731-0289 Fax
ratcliff@msu.edu

Presque Isle County EDC

658 S. Bradley Highway
Rogers City, MI 49779
(989) 734-8446 • (989) 734-2577 Fax

REGION 4 – Central Michigan

Serves: Clare, Gladwin, Gratiot, Isabella, Lake, Mason, Mecosta, Montcalm, Newaygo, Oceana and Osceola counties.
www.gvsu.edu/misbtddc/region4

Mid Michigan Community College

M-TEC Building
1375 S. Clare Avenue
Harrison, MI 48625
(989) 386-6630 • (989) 802-0971 Fax
aefox@midmich.edu
Anthony Fox, Regional Director

ADDITIONAL COUNSELING LOCATIONS Greater Gratiot Development, Inc

136 S. Main
Ithaca, MI 48847
(989) 875-2083 • (989) 875-2990 Fax
don.schurr@gratiot.org

Mecosta Area Chamber of Commerce

246 N. State Street
Big Rapids, MI 49307
(231) 796-7649 • (231) 796-1625 Fax
anja@mecostacounty.com

Newaygo County EDC

4747 W. 48th Street, Suite 108
Fremont, MI 49412
(231) 924-8890 • (231) 924-9250 Fax
alofgren@ncedo.org

REGION 5 – Saginaw, Bay City, Midland

Serves: Arenac, Bay, Huron, Midland, Saginaw, Sanilac, and Tuscola counties.
www.gvsu.edu/misbtddc/region5

Delta College Corporate Services

Main Campus
1961 Delta Road, H-Wing
University Center, MI 48710-0002
(989) 686-9597 • (989) 667-2222 Fax
christinegreve@delta.edu
Christine Greve, Regional Director

ADDITIONAL COUNSELING LOCATIONS Midland Tomorrow

300 Rodd Street, Suite 201
Midland, MI 48640-6596
(989) 839-0340 • (989) 839-7372 Fax
walker@midlandtomorrow.org
www.midlandtomorrow.org

Tuscola County EDC

157 North State Street
Caro, MI 48723
(989) 673-2849 • (989) 673-2517 Fax
tuscolaedc@centurytel.net

Huron County EDC

250 E. Huron Avenue, Suite 303
Bad Axe, MI 48413
(989) 269-6431 • (989) 269-8209 Fax
carl@huroncounty.com

REGION 6 – Flint Area

Serves: Genesee and Lapeer counties.
www.gvsu.edu/misbtddc/region6

Kettering University

1700 W. Third Street
Campus Center, 5th Floor
Flint, MI 48504
(810) 762-9660 • (810) 762-9678 Fax
mlyttle@kettering.edu
Marsha Lyttle, Regional Director

ADDITIONAL COUNSELING LOCATION Lapeer Development Corporation

449 McCormick Drive
Lapeer, MI 48446
(810) 667-0080 • (810) 667-3541 Fax
patricia@lapeerdevelopment.com

REGION 7 – Grand Rapids Area

Serves: Kent, Muskegon and Ottawa counties.
www.gvsu.edu/misbtddc/region7

Grand Valley State University

401 W. Fulton
DeVos Center – 308C
Grand Rapids, MI 49504-6431
(616) 331-7370 • (616) 331-7195 Fax
villarda@gvsu.edu
Dante Villarreal, Regional Director

ADDITIONAL COUNSELING LOCATIONS Grand Haven Area Chamber of Commerce

One S. Harbor Drive
Grand Haven, MI 49417
(616) 842-4910
sbdinfo@gvsu.edu

Holland Chamber of Commerce

272 E. 8th Street
Holland, MI 49432
(616) 392-2389 • (616) 392-7379 Fax
framirez@hollandchamber.org

Muskegon Area Chamber of Commerce

900 Third Street, Suite 200
Muskegon, MI 49440-1135
(231) 722-3751 • (231) 728-7251 Fax
sbdinfo@gvsu.edu

Ottawa Co. Economic Development Office

6676 Lake Michigan Drive/P.O. Box 539
Allendale, MI 49401-0539
(616) 892-4120 • (616) 895-6670 Fax
krizzio@altelco.net

The Right Place Program

161 Ottawa Avenue N.W., Suite 400
Grand Rapids, MI 49503-2701
(616) 771-0571 • (616) 771-0555 Fax
dewinkler@rightplace.org

REGION 8 – Lansing Area

Serves: Clinton, Eaton, Ingham, Ionia,
Livingston and Shiawassee counties.
www.gvsu.edu/misbtcdc/region8

Lansing Community College

309 N. Washington Square, Suite 115
P.O. Box 40010
Lansing, MI 48933
(517) 483-1921 • (517) 483-1675 Fax
donaldt2@lcc.edu
Tom Donaldson, Regional Director

ADDITIONAL COUNSELING LOCATIONS Livingston County SBTDC

131 Hyne Street
Brighton, MI 48116
(810) 227-5086 • (810) 227-5940 Fax
dennisw@livingstonsbtcdc.org

Ionia County Economic Alliance

545 Apple Tree Drive
Ionia, MI 48846
(616) 527-8014 • (616) 527-8410 Fax
icea@msu.edu

Shiawassee Chamber of Commerce

215 N. Water Street
Owosso, MI 48867
(989) 723-5149 • (989) 723-8353 Fax
customerservice@shiawasseechamber.org

REGION 9 – Metro Detroit Area

Serves: Monroe, Oakland and Wayne counties.
www.gvsu.edu/misbtcdc/region9

Eastern Michigan University

306 Gary M Owen Building
300 W. Michigan Avenue
Ypsilanti, MI 48197
(734) 487-0355 • (734) 481-3354 Fax
rking@emich.edu
Richard King, Regional Director

ADDITIONAL COUNSELING LOCATIONS Downriver Community Conference

15100 Northline Road
Southgate, MI 48195
(734) 362-3477 • (734) 281-6661 Fax
paulab@dccwf.org

Jefferson East Business Dev. Association

14628 E. Jefferson Avenue
Detroit, MI 48215
(313) 331-7939 • (313) 331-0311 Fax
jelling@jeffersoneast.org

Metropolitan Center for High Technology

2727 Second Avenue, Suite 113
Detroit, MI 48201
(313) 967-9295 • (313) 967-9296 Fax
wthomas1@emich.edu

Monroe County Industrial Dev. Corp.

2929 E. Front Street/P.O. Box 926
Monroe, MI 48161
(734) 241-8754 • (734) 241-0813 Fax
tlake@monroecountyidc.com

Schoolcraft College

VisTaTech Center
18600 Haggerty Road
Livonia, MI 48152-2696
(734) 462-4438 • (734) 462-4673 Fax
vmathur@schoolcraft.edu

Walsh College

3838 Livernois Road/P.O. Box 7006
Troy, MI 48007-7006
(248) 823-1365 • (248) 689-0920 Fax
misbtcdc@walshcollege.edu

Wayne County One Stop Business Resource Center

2727 Second Avenue, Suite 102
Detroit, MI 48201
(313) 224-0478 • (313) 224-8458 Fax
twilson2@co.wayne.mi.us

REGION 10 – Macomb-St. Clair Area

Serves: Macomb and St. Clair counties.
www.gvsu.edu/misbtcdc/region10

Small Business and Technology Development Center

One S. Main Street, 7th Floor
Mt. Clemens, MI 48043
(586) 469-5118 • (586) 469-6787 Fax
sbtcdc@macombcountymi.gov
Donald Morandini, Regional Director

ADDITIONAL COUNSELING LOCATIONS EDA of St. Clair County

735 Erie Street, Suite 250
Port Huron, MI 48060
(810) 982-9511 • (810) 982-9531 Fax
dalexander@edascc.com

Sterling Heights Chamber of Commerce

12900 Hall Road, Suite 190
Sterling Heights, MI 48313
(586) 731-5400 • (586) 731-3521 Fax
ladams@suscc.com

REGION 11 – Southwest Michigan

Serves: Allegan, Barry, Berrien, Branch,
Calhoun, Cass, Kalamazoo, St. Joseph and Van
Buren counties.
www.gvsu.edu/misbtcdc/region11

Northern Economic Potential Group

526 North Burdick Street
Kalamazoo, MI 49007-3645
(269) 492-1624 • (269) 342-6035 Fax
Steve Dobbs, Regional Director
Steve.Dobbs@wmich.edu

ADDITIONAL COUNSELING LOCATIONS Albion EDC

309 N. Superior Street/P.O. Box 725
Albion, MI 49224
(517) 629-3926 • (517) 629-3929 Fax
psindt@albionedc.org

Branch County Economic Growth Alliance

20 Division Street
Coldwater, MI 49036
(517) 278-4146 • (517) 279-8936 Fax
bcega@bcega.com

Marshall Chamber of Commerce

424 E. Michigan Avenue
Marshall, MI 49068
(269) 781-5163 • (269) 781-6570 Fax
mea@voyager.net

WMU-South

2785 E. Napier Avenue, Room 2204
Benton Harbor, MI 49022
(269) 934-1526 • (269) 934-1505 Fax
david.alger@wmich.edu

MSU Extension of Allegan County

Human Services Building at the
Dumont Lake Complex
3255 122nd Avenue, Suite 101
Allegan, MI 49010
(269) 673-0370 ext. 27 • (269) 673-7005 Fax
MSUE.Allegan@county.msu.edu

Southwest Michigan Innovation Center

4717 Campus Drive
Kalamazoo, MI 49008
(269) 353-1823 • (269) 372-3397 Fax
info@kazoosmic.com

WMU-Haworth College of Business

1903 W. Michigan Avenue
Kalamazoo, MI 49008
(269) 492-1624 • (269) 342-6035 Fax

REGION 12 – South East Michigan

Serves: Hillsdale, Jackson, Lenawee and
Washtenaw counties.
www.gvsu.edu/misbtcdc/region12

Washtenaw Community College

301 West Michigan Avenue, Suite 101
Ypsilanti, MI 48197
(734) 547-9170 • (734) 547-9178 Fax
cpenner@wccnet.org
Charles Penner, Regional Director

ADDITIONAL COUNSELING LOCATIONS Enterprise Group of Jackson

One Jackson Square, Suite 1100
Jackson, MI 49204-0080
(517) 787-0442 • (517) 782-0061 Fax
rweaver@enterprisegroup.org



Knowing the Rules

Paying Attention To Detail Can Save Time and Money



It may be inconceivable to you that your home-based consulting service or hand-knit sweater business would have to comply with any of the numerous local, state, and federal regulations, but in all likelihood it will. Avoid the temptation to ignore regulatory details. Doing so may avert some red tape in the short term, but could be an obstacle as your business grows. Taking the time to research the applicable regulations is as important as knowing your market. Below is a checklist of the most common requirements that affect small businesses, but it is by no means exhaustive. Bear in mind that regulations vary by industry. If you're in the food service business, for example, you will have to deal with the health department. If you use chemical solvents, you will have environmental compliances to meet. Carefully

investigate the regulations that affect your industry. Being out of compliance could leave you unprotected legally, lead to expensive penalties and jeopardize your business.

 **TIP:** The State of Michigan has a Web site for start-up businesses at: <http://www.michigan.gov>, and click on "Business & Economic Growth" in the left column.

BUSINESS ORGANIZATION

There are many forms of legal structure you may choose for your business. The most common structures are Sole Proprietorships, General and Limited Partnerships, C and S Corporations and Limited Liability Companies. Each legal structure offers organizational options which are appropriate for different personal situations and which affect tax and

liability issues. We suggest you research each legal structure thoroughly and consult a tax accountant and/or attorney prior to making your decision.

BUSINESS LICENSES

There are many types of licenses, both state and local as well as professional. Depending on what you do and where you plan to operate, your business may be required to have various state and/or municipal licenses, certificates or permits.

Licenses are typically administered by a variety of state and departments. Consult your state or local government for assistance. You may check the Michigan Economic Development Corporation (MEDC) Web site at www.michiganadvantage.org/ for licensing and permit information (Look for "Licenses/Permits" under "Start a Business" section). Business owners may also call the MEDC at (888) 522-0103.

Building Codes, Permits and Zoning

It is important to consider zoning regulations when choosing a site for your business. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district. Contact the business license office in the city or town in which the business is located.

FICTITIOUS BUSINESS NAME

Registering your business name, after doing a search to make sure that it is not already in use, protects you from others who might be using the same name. For more information contact the county clerk's office in the county where your business is based or contact:

Department of Labor & Economic Growth
(517) 241-6470
www.michigan.gov/cis

BUSINESS INSURANCE

Like home insurance, business insurance protects the contents of your business against fire, theft and other losses. Contact your insurance agent or broker. It is prudent for any business to purchase a number of basic types of insurance. Some types of coverage are required by law, other simply make good business sense. The types of insurance listed below are among the most commonly used and are merely a starting point for evaluating the needs of your business.

Liability Insurance -- Businesses may incur various forms of liability in conducting their normal activities. One of the most common types is product liability, which may be incurred when a customer suffers harm from using the business product. There are many other types of liability, which are frequently related to specific industries. Liability law is constantly changing. An analysis of your liability insurance needs by a competent professional is vital in determining an adequate and appropriate level of protection for your business.

Property -- There are many different types of property insurance and levels of coverage available. It is important to determine the property you need to insure for the continuation of your business and the level of insurance you need to replace or rebuild. You must also understand the terms of the insurance, including any limitations or waivers of coverage.

Business Interruption -- While property insurance may pay enough to replace damaged or destroyed equipment or buildings, how will you pay costs such as taxes, utilities and other continuing expenses during the period between when the damage occurs and when the property is replaced? Business Interruption (or "business income") insurance can provide sufficient funds to pay your fixed expenses during a period of time when your business is not operational.

"Key Man" -- If you (and/or any other individual) are so critical to the operation of your business that it cannot continue in the event of your illness or death, you should consider "key man" insurance. This type of policy is frequently required by banks or government loan programs. It also can be used to provide continuity in operations during a period of ownership transition caused by the death or incapacitation of an owner or other "key" employee.

Automobile -- It is obvious that a vehicle owned by your business should be insured for both liability and replacement purposes. What

is less obvious is that you may need special insurance (called "non-owned automobile coverage") if you use your personal vehicle on company business. This policy covers the business' liability for any damage which may result for such usage.

Officer and Director -- Under most state laws, officers and directors of a corporation may become personally liable for their actions on behalf of the company. This type of policy covers this liability.

Home Office -- If you are establishing an office in your home, it is a good idea to contact your homeowners' insurance company to update your policy to include coverage for office equipment. This coverage is not automatically included in a standard homeowner's policy.

EMPLOYER IDENTIFICATION NUMBER

An EIN, Form SS-4, also known as a federal tax identification number, is used to identify a business entity. Generally all businesses need an EIN. You may apply for an EIN in a variety of ways, including online, phone, fax.

Taxpayers can call a toll-free number, (800) 829-4933, to get an EIN. Internal Revenue Service customer service representatives are available to answer calls Monday through Friday, from 7:30 a.m. to 5:30 p.m. customer's local time.

Taxpayers can fax EIN requests seven days a week/24 hours a day by dialing the fax number to one of three IRS Campus' that accept applications. The instructions on the newly revised Form SS-4, Application for Employer ID Number, indicate which IRS Campus is assigned to their specific state. Detailed information and an electronic SS-4 can be found at the IRS Small Business/Self Employed Community Web site at: www.irs.gov/smallbiz, click on New Businesses. Faxed applications are processed in four days. The IRS Campus' accepting faxed applications are:

Holtsville, NY (631) 447-8960
Cincinnati, OH (859) 669-5760
Philadelphia, PA (215) 516-3990

IRS accepts third party Form SS-4's. Tax practitioners complete the new "Third Party Designee" section on their client's behalf by obtaining the client's signature on Form SS-4. IRS no longer requires that practitioners file a



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www.sem.resourcecapital.com



Form 2848, Power of Attorney or Form 8821, Tax Information Authorization to get an EIN for their clients.

Federal Self-Employment Tax

Everyone must pay Social Security and Medicare coverage. If you are self-employed, your contributions are made through the self-employment tax.

The IRS has publications, counselors and workshops available to help you sort it out. For more information contact the IRS at (800) 829-1040.

Business Tax Information

If you plan to hire employees you are also required to obtain a Federal Employee Identification Number from the Internal Revenue Service (IRS). To obtain the registration form and reference documents, contact the IRS at (800) 829-1040 or visit their website: www.irs.gov/smallbiz for complete information.

Taxpayer Assistance

For specific tax questions, contact the IRS Business and Specialty Tax Line at (800) 829-4933. Some questions can be answered at a local IRS office. A list of offices in Michigan can be found at www.irs.gov/localcontacts/. IRS also has a Web site geared towards small business owners; the address to the Small Business/Self-Employed Web site is www.irs.gov/businesses/small/index.html. The Web site provides answers to often asked questions, tax tips, a tax calendar and a

Virtual Small Business Workshop. The site also includes a schedule of local workshops.

Stakeholder Liaison Field (SL-Field) is a part of the Small Business/Self-Employed operating division of the IRS. SL-Field works with small business organizations, including the SBA, to provide information to small business owners concerning their responsibilities for filing, reporting and paying federal taxes. SL-Field also works with the business organizations to identify key issues concerning small business and the IRS. See the IRS small business Web site for information on events taking place in Michigan.

Michigan Taxes

In Michigan, businesses may register for taxes by filling out Form 518 "Registration for Michigan Taxes." This form allows a business to register for sales, use or withholding taxes, the single business tax, motor fuel or tobacco products tax. To obtain a form, call the Michigan Department of Treasury at (800) 367-6263 or (517) 373-3200 or visit: www.michigan.gov/treasury.

Sales Tax – Anyone who engages in retail sales of tangible personal property from a Michigan location needs a sales tax license. The Michigan sales tax is currently 6 percent of sales receipts. All businesses liable for sales tax should file a license application with the Sales, Use and Withholding Division of the Michigan Department of Treasury. Contact (800) 367-6263 or (517) 636-4730 an application.

Michigan Business Tax – On January 1, 2008, the Michigan Business Tax replaces the Single Business Tax. For more information on the Michigan Business Tax, contact the Michigan Department of Treasury by visiting <http://www.michigan.gov/taxes/0,1607,7-238-46621---,00.html> or calling (517) 373-3200.

Sales Tax Exemption Certificate

If you plan to sell products, you will need a Sales Tax Exemption Certificate. It allows you to purchase inventory, or materials, which will become part of the product you sell, from suppliers without paying taxes. It requires you to charge sales tax to your customers, which you are responsible for remitting to the state. You will have to pay penalties if it is found that you should have been taxing your products and now owe back taxes to the state. For information on Sales Tax issues, visit your state's Web page.

FEDERAL INCOME TAX

Like the state income tax, the method of paying federal income taxes depends upon your legal form of business. The following procedures must be considered:

Sole Proprietorship: You must file IRS Federal Form Schedule C along with your personal Federal Income Tax return (Form 1040) and any other applicable forms pertaining to gains or losses in your business activity.

Partnership: You must file a Federal Partnership return (Form 1065). This is merely informational to show gross and net earnings of profit & loss. Also, each partner must report his share of partnership earnings on his individual Form 1040 based on the information from the K-1 filed with the Form 1065.

Corporation: You must file a Federal Corporation Income Tax (Form 1120) Return. You will also be required to file an personal federal income tax return (Form 1040) on your earnings from the corporation based on the W-2 received from your employer.

FEDERAL PAYROLL TAX

Federal Withholding Tax: Any business employing a person other than the owner must register with the IRS and acquire an EIN and pay federal withholding tax at least quarterly. File Form SS-4 with IRS to obtain number and required tax forms. Call (800) 829-3676 or (800) 829-1040 if you have questions.

Federal Insurance Contribution Act (FICA): Any business owner who employs one person other than himself must pay the current rate of 6.20 percent on each employee's gross wages, up to \$87,900 for Social Security Benefits and 1.45 percent for Medicare from each wage paid through 2004. The employee contributes from wages, through payroll withholding, 6.20 percent for Social Security Benefits and 1.45 percent for Medicare on all wages paid for 2005. (Consult forms 1040 ES or Publication 15, Circular E.) Call (800) 829-3676 if you have questions.

Both these withholdings (federal withholding tax and FICA tax) require the preparation of a W-2 Form for each employee. The W-2 Form is due once a year and must be prepared, mailed and received by the employee before January 31 of the following year.

Federal Unemployment Tax Act (FUTA): For 2007 the FUTA tax is .8 percent of wages paid during the year. The tax applies to the first \$7,000 you pay each employee as wages during the calendar year. The employer is responsible for paying FUTA tax. It must not be deducted from employee's wages. Form 940 must be prepared and paid by January 31

of the following year. Refer to Circular "E" Employer's Tax Guide, Publication 15 from Internal Revenue Service. Call (800) 829-3676 for information.

Michigan Unemployment Tax
(800) 638-3994
www.michigan.gov/uia

Michigan
(800) 367-6263
www.michigan.gov/treasury

All employers must register with the Michigan Unemployment Insurance Agency even if the business is not liable. For a Michigan Employer Handbook, send a check or money order for \$15 to UIA Handbook, Cadillac Place, 3024 W. Grand Boulevard, Suite 13-100, Detroit, MI 48202; Call (800) 638-3994 or check the Web site at: www.michigan.gov/uia.

SOCIAL SECURITY CARDS

All employees must have a social security card. It must be signed by its owner, and you should always ask to see and personally record the social security number. Failure to

do so may cause your employee to lose benefits and considerable trouble for yourself in back tracking to uncover the error.

Each pay day, your employees must receive a statement from you telling them what deductions were made and how many dollars were taken out for each legal purpose. This can be on the check as a detachable portion or in the form of an envelope with the items printed and spaces for dollar deductions to be filled in. No deductions may be made by any employer for any reason unless the employee has previously signed a paper authorizing the deduction. There are no exceptions.

EMPLOYEE CONSIDERATIONS

Taxes - If you have any employees, including officers of a corporation but not the sole proprietor or partners, you must make periodic payments, and/or file quarterly reports about payroll taxes and other mandatory deductions. You may contact these government agencies for information, assistance and forms.

Social Security Administration
(800) 772-1213
www.ssa.gov

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**Federal Withholding
U.S. Internal Revenue Service**
(800) 829-1040
www.irs.gov

Employee Insurance

If you hire employees you may be required to provide unemployment or workers' compensation insurance.

USCIS

The Federal Immigration Reform and Control Act of 1986 requires all employers to verify the employment eligibility of new employees. The law obligates an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Services Office of Business Liaison offers a selection of information bulletins and live assistance for this process through the Employer Hotline. In addition, USCIS forms and the Employer Handbook can be obtained by calling the Forms Hotline. For forms call (800) 870-3676, for the Employer Hotline call (800) 357-2099.

Workers' Compensation

Workers' compensation is the responsibility of the employer. Benefits are paid either directly by the employer or through an insurance company. All employers that regularly employ three or more part-time employees at one time, or employ one or more persons for at least 35-hours per week for at least 13-weeks during the preceding 52-weeks, are required to have workers' compensation insurance.

There is a publication available to help business owners understand Michigan's workers' compensation system, the Michigan Workers' Compensation Guide. To obtain a copy of this publication, contact the Michigan Economic Development Corporation at (517) 373-9808 or check its Web site at: <http://www.michigan.org/medc/services/workcomp>

New Hire Reporting

A provision of the Federal Welfare Reform Act requires employers to report to the Michigan Department of Treasury basic information on all newly hired employees within 20 days of hiring. For further information or to obtain forms, contact the Michigan New Hire Operations Center at (800) 524-9846 or visit its Web site at: www.mi-newhire.com.

Americans With Disabilities Act

For assistance or clarification with the ADA, call (800) 669-3362 or visit them at: www.ada.gov

SAFETY & HEALTH REGULATIONS

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. OSHA outlines specific health and safety standards adopted by the U.S. Department of Labor.

Use of hazardous substances in businesses is highly regulated and there are heavy fines for non-compliance. For information contact the Michigan OSHA at (517) 322-1814 or visit them on the Web at:

www.michigan.gov/cis/0,1607,7-154-11407--,-00.html.

COPYRIGHTS, TRADEMARKS & PATENTS

Federal Registration of Trademarks and Patents

Trademarks are names or symbols used in any commerce that is subject to regulation by state government or the U.S. Congress. To register a trademark, contact:

Patent & Trademark Office:

P.O. Box 1450
Alexandria, VA 22313-1450
(800) 786-9199
www.uspto.gov

Trademark Information Hotline (703) 308-9000

State Registration of a Trademark

Trademarks and service marks may be registered in a state for a term of 10 years. For filing fees or more information about applications for registration of trademark or service mark contact the:

Corporate Division

Bureau of Commercial Services
Department of Labor & Economic Growth
(517) 241-6470

Caution: Federally registered trademarks may conflict with and supersede state registered business and product names. Businesses are encouraged to check for conflicts with federal trademarks.

Copyrights

Copyrights protect the thoughts and ideas of authors, composers and artists. A copyright prevents illegal copying of written matter, works of art or computer programs. In order to

ensure copyright protection, the copyright owner should always include notices on all copies of the work. For general information contact:

U.S. Copyright Office

U.S. Library of Congress
James Madison Memorial Building
Washington, DC 20559
(202) 707-9100 - Order Line
(202) 707-3000 - Information Line

Patents

Additional information is provided in the publications, General Information Concerning Patents and other publications distributed through the U.S. Patent and Trademark Office. For more information, contact the:
U.S. Patent and Trademark Office
(800) 786-9199 • www.uspto.gov

Product Coding

GS1 US™ (not a government agency) provides a unique company number that is used to create bar codes (including UPCs) for your products. Many stores require bar coding on the packaged products they sell. Many industrial and manufacturing companies also use bar coding to identify items they receive and ship. GS1 US, formerly the Uniform Code Council, Inc.® (UCC®), provides tools and assistance to help you meet these requirements. For information, visit www.gs1us.org/pc. For additional questions, contact:

GS1 US

7887 Washington Village Drive, Suite 300
Dayton, OH 45459-8605
(937) 435-3870

Accounting Assistance

To find an accountant in your area, check with the Michigan State Board of Accountancy (517) 241-9288 or visit the Michigan Association of CPA's Web site at: www.michcpa.org.

Legal Assistance

For information on hiring an attorney or for assistance in locating an attorney with business experience, contact the State Bar of Michigan lawyer referrals service (800) 968-1442 or visit: www.michbar.org.



Getting Approved

Financing Options To Start Or Grow Your Business



Many entrepreneurs need financial resources to start or expand a small business themselves and must combine what they have with other sources of financing. These sources can include family and friends, venture-capital financing, and business loans.

The SBA Resource Guide will discuss the primary business loan programs of SBA and the equity financing program. These are: the 7(a) Loan Program, the Certified Development Company or 504 Loan Program, the MicroLoan Program and the Small Business Investment Program. The distinguishing features for these programs are the total dollar amount that can be borrowed, the type of lenders who can provide these loans, the uses for the loan proceeds, and the terms placed on the borrower.

Note: The SBA does not offer grants to start or grow a business. The only grants

the SBA is authorized to provide to private businesses are for businesses providing management technical assistance to other businesses.

When you seek a business loan familiarize yourself with the SBA's business loan programs to see if they may be a viable option. The three principal players in each of these programs are — the small business, the lender and the SBA. The business should have its business plan prepared before it applies for a loan. This plan should explain what resources will be needed to accomplish the desired business purpose including the cost of everything, the applicants' contribution, use of loan proceeds, collateral, and most important, an explanation of how the business will be able to repay the loan in a timely manner.

The lender will analyze the application to see if it meets the lender's criteria as well as

SBA requirements. SBA will look to the lender to do much of the analysis before it provides its guaranty to the lender's loan or provides the microlenders with funds to re-lend to the business. The SBA's business loan programs provide a key source of financing for viable small businesses that have real potential, but cannot qualify for loans from traditional sources.

7(A) LOAN PROGRAM

The 7(a) Loan Program is the SBA's primary business loan program. It is the agency's most used non-disaster financial assistance programs because of its flexibility in loan structure, variety of loan proceeds uses, and availability. This program has broad eligibility requirements and credit criteria to accommodate a wide range of financing needs.

The business loans that SBA guarantees do not come from the agency, but rather from banks and other lenders, including development companies, intermediaries and venture capital firms that make loans to investment capital. The loans are funded by these organizations and they make the decisions to approve or not approve the requests.

The SBA guaranty reduces the lender's risk of borrower non-payment. If the borrower defaults, the lender can request SBA to pay the lender that percentage of the outstanding balance guaranteed by SBA. This allows the lender to recover a portion of what it lent from SBA if the borrower can't make the payments. The borrower is still obligated for the full amount.

To qualify for an SBA guaranty, a small business must meet the lender's criteria and the 7(a) requirements. In addition the lender must certify that it would not provide this

loan under the proposed terms and conditions unless it can obtain an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the loan must be eligible, creditworthy and structured under conditions acceptable to SBA.

PERCENTAGE OF GUARANTIES

The SBA only guarantees a portion of any particular loan so each loan will also have an unguaranteed portion giving the lender a certain amount of exposure and risk. The percentage of guaranty depends on either the dollar amount or the method by which the lender obtains its guaranty. For 7(a) loans of \$150,000 or less the SBA will guaranty as much as 85 percent and for loans over \$150,000 the SBA can provide a guaranty of up to 75 percent. The maximum loan amount is \$2 million and the maximum guaranty amount to any one business is \$1.5 million. The one exception is when a business needs both working capital and fixed assets to promote exporting in which case the SBA can guaranty two loans with a maximum level of participation at \$1.75 million.

Loans made under the SBAExpress program, which is discussed subsequently, have a 50 percent guaranty.

INTEREST RATES AND FEES

Both fixed and variable interest rates are available. Rates are set based on the lowest prime rate* and maturity. For loans with maturities of less than seven years the rate will be fixed or start at prime plus no more than 2.25 percent. For loans with maturities of seven years or more the rate can be as high as prime plus 2.75 percent. For loans under \$50,000 and for loans processed through SBAExpress, rates are permitted to be higher.

The SBA charges the lender a nominal upfront fee to provide its guaranty, and the lender may pass this charge on to the borrower. The fee is based on the total amount of the loan and whether the loan is short-term (12 months or less) or long term (over 12 months). The fee is computed based on the amount that SBA guarantees.

On any loan with a maturity of one year or less, the fee is just 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year, the guaranty fee is 2 percent of the SBA guaranteed portion on loans up to \$150,000; 3 percent on loans over \$150,000 but not over \$700,000; and 3.5 percent on loans over \$700,000. There is also an additional fee of

0.25 percent on any guaranteed portion over \$1 million.

*** All references to the prime rate refer to the lowest prime rate as published in the Wall Street Journal on the day the application is received by the SBA.**

7(A) LOAN MATURITIES

SBA loan programs are generally intended to encourage longer term small business financing, but actual loan maturities are based on the ability to repay, the purpose of the loan proceeds, and the useful life of the assets financed. However, maximum loan maturities have been established: 25 years for real estate; up to 10 years for equipment (depending on the useful life of the equipment); and generally up to 10 years for working capital. Short-term loans and revolving lines of credit are also available through the SBA to help small businesses meet their short-term and cyclical working capital needs.

STRUCTURE

Most loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same whereas for variable rate loans the lender can re-establish the payment amount when the interest rates change or at other intervals as negotiated with the borrower. Applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when applicable) to allow the business time to generate the income to start repaying the loan. There are no balloon payments or call provisions allowed on any 7(a) loan. The lender may not charge a prepayment penalty if the loan is paid off before maturity, but the SBA will charge the borrower a prepayment fee if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

COLLATERAL

The SBA expects every loan to be fully secured, however the SBA will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral. What these two policies mean is that every SBA loan is to be secured by all available assets (both business and personal) until the recovery value equals the loan amount or until all assets have been pledged to the extent that they are reasonably available, to adequately secure the

loan. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may be required.

ELIGIBILITY

7(a) loan eligibility is based on four different factors. The first is size, as all loan recipients must be classified as "small" by SBA. The basic size standards are outlined below. A more in-depth listing of standards can be found at:

<http://www.sba.gov/services/contracting> then select "Size Standards" from the "Contracting Opportunities" listing along the bottom.

SBA Size Standards:

- Manufacturing from 500 to 1,500 employees
- Wholesaling — 100 employees
- Services from \$4.5 million to \$32.5 million in average annual receipts
- Retailing from \$6.5 million to \$26.5 million
- General construction from \$6.5 million to \$32 million
- Agriculture from \$750,000 to \$16.5 million in average annual receipts

Nature of Business

The second eligibility factor is based on the nature of the business and the process by which it generates income or the customers it serves. The SBA has general prohibitions against providing financial assistance to businesses involved in such activities as lending, speculating, passive investment, pyramid sales, loan packaging, presenting live performances of a prurient sexual nature, and businesses involved in gambling or any illegal activity.

The SBA will also not support non-profit businesses, private clubs that limit membership on a basis other than capacity, businesses that promote a religion, businesses owned by individuals incarcerated or on probation or parole, municipalities, and situations where the business or its owners previously failed to repay a federal loan or federally assisted financing.

Use of Proceeds

The third eligibility factor is what the loan proceeds can and cannot be used for. 7(a) proceeds can be used to: purchase machinery, equipment, fixtures, supplies, leasehold improvements, as well as land and/or

buildings that will be occupied by the business borrower.

Proceeds can also be used to:

- Expand or renovate facilities;
- Finance receivables and augment working capital;
- Finance seasonal lines of credit;
- Construct commercial buildings; and
- Refinance existing debt under certain conditions.

7(a) loan proceeds cannot be used to pay an associate of the business, for floor plan financing, research & development (except for the Energy Loan Program) or to have funds for the purpose of making investments.

Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA credit elsewhere and utilization of personal assets requirements where the applicant business and its principal owners must use their own resources before getting a loan guaranteed by SBA. It also includes SBA's anti-discrimination rules and prohibitions on lending to agricultural enterprises because there are other agencies of the federal government with programs to fund such businesses.

However, some factors here are the SBA's most important eligibility rules, including:

- Every loan must be for a sound business purpose;
- There must be sufficient invested equity in the business so it can operate on a sound financial basis;
- There must be a potential for long-term success;
- The owners must be of good character and reputation; and
- All loans must be so sound as to reasonably assure repayment.

More can be found out about SBA's eligibility requirements at:

<http://www.sba.gov/services/> then select "Loan Eligibility" from the "Financial Assistance" list along the bottom.

What to Take to the Lender

Documentation requirements may vary; contact your lender for the information you must supply.

Common requirements include the following:

- Purpose of the loan.
- History of the business.
- Financial statements for three years (existing businesses).
- Schedule of term debts (existing businesses).
- Aging of accounts receivable and payable (existing businesses).
- Projected opening-day balance sheet (new businesses).

- Lease details.
- Amount of investment in the business by the owner(s).
- Projections of income, expenses and cash flow as well as the assumptions.
- Personal financial statements on the principal owners.
- Resume(s) of the principal owners and managers.

How Your Loan Request Will Be Reviewed

When reviewing a loan request, the lender is primarily concerned with repayment. Loan officers judge loan applications based on

what is commonly referred to as the five C's of Credit.

- **Character.** Lenders will order a copy of your credit report and look at debt repayment trends. They want to know simply if you pay your bills and if you pay them on time. If there are blemishes on your report, explain them. The major credit agencies are Experian (888) 397-3742 or www.experian.com, Equifax (800) 685-1111 or www.equifax.com, and Trans Union (800) 916-8800 or www.transunion.com.
- **Cash Flow.** Lenders will look at historical and projected cash flow statements to determine whether you will be able to repay the loan and still have money to

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adequately run the business. Include written justification for your projections in your loan proposal.

- **Collateral.** Collateral is an asset (something you own) which a lender may claim to satisfy a loan in the event the loan is not repaid according to the required terms. Often the assets purchased with the loan may serve as collateral. If the business does not have enough collateral, the bank will look to personal assets.
- **Capitalization.** Capitalization refers to the basic resources of the company including owner's equity, retained earnings, and fixed assets. You do not have to be fully capitalized to qualify for a loan.
- **Conditions.** Factors that affect the success of the company, yet are external to the business, will also be considered by the lender. Examples include government regulation, competition, and industry trends.

How the 7(a) Program Works

Applicants submit their loan application to a lender for their initial review. The lender will generally review the credit merits of the request before they decide if they will make the loan themselves or if they will need an SBA guaranty. If a guaranty is needed, the lender will also review eligibility, and the applicant should be prepared to complete some additional documents before the lender sends its request for guaranty to the SBA.

In guaranteeing the loan, the SBA assures the lender that, in the event the borrower does not repay the loan, the government will reimburse the lending institution for a portion of its loss. By providing this guaranty, the SBA is able to help tens of thousands of small businesses every year get financing they would not otherwise obtain.

After SBA approval, the lender is notified that its loan has been guaranteed. The lender then will work with the applicant to make sure the terms and conditions are met before closing the loan, disbursing the funds, and assuming responsibility for collection and general servicing. The borrower makes monthly loan payments directly to the lender. As with any loan, the borrower is responsible for repaying the full amount of the loan in a timely manner.

What the SBA Looks for:

- Ability to repay the loan on time from the projected operating cash flow.
- Owners and operators who are of good character.
- Feasible business plan.
- Management expertise and commitment necessary for success.
- Sufficient funds, including the SBA guaranteed loan, to operate the business on a sound financial basis (for new businesses, this includes the resources to

meet start-up expenses and the initial operating phase).

- Adequate equity invested in the business.
- Sufficient collateral to secure the loan or all available collateral if the loan cannot be fully secured.

How Lenders Apply For a Guaranty

Once the lender (bank, credit union, savings & loan, or other private-sector lender) decides to apply for an SBA guaranty it has several options. It can use standard SBA processing procedures and have SBA conduct a full analysis of the application the lender submits. This may be beneficial for lenders with limited experience in making SBA loans. Another option available to selected lenders with staff dedicated to making SBA-guaranteed loans is the Preferred Lenders Program where SBA delegates the credit decision to the lender, and SBA will not re-analyze the lender's credit decisions. This results in less overall processing time.

SBAExpress

SBAExpress is available to lenders as a way to obtain a guaranty on smaller loans up to \$350,000. The program authorizes selected experienced lenders to use mostly their own forms, analysis and procedures to process, service and liquidate SBA-guaranteed loans. The SBA guarantees up to 50 percent of an SBAExpress loan. Loans under \$25,000 do not require collateral. Like most 7(a) loans, maturities are usually five to seven years for working capital and up to 25 years for real estate or equipment. Revolving lines of credit are allowed for a maximum of seven years. For a list of lenders in your area, contact your local SBA office available at www.sba.gov/localresources/index.html. For a list of lenders in Michigan, please refer to the Lenders List.

Patriot Express

The Patriot Express Initiative combines a pilot loan initiative with SBA's traditional small business ownership training for veterans military community members wanting to establish or expand small businesses. Eligible military community members include:

- Veterans
- Service-disabled veterans
- Active-duty service members eligible for the military's Transition Assistance Program
- Reservists and National Guard members
- Current spouses of any of the above
- Widowed spouse of a service member or veteran who died during service or of a service-connected disability

The Patriot Express loan is offered by SBA's widest network of lenders nationwide and features our fastest turnaround time for loan approvals. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of 85 percent for loans of \$150,000 or less and 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to take all available collateral.

The Patriot Express loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases.

Patriot Express loans feature SBA's lowest interest rates for business loans, generally 2.25 percent to 4.75 percent over prime depending upon the size and maturity of the loan. Your local SBA district office will have a listing of Patriot Express lenders in your area. More information is at:

www.sba.gov/patriotexpress.

CommunityExpress Pilot Loan Program

The CommunityExpress Pilot Loan Program provides streamlined business financing and management and technical assistance to small businesses located in distressed or underserved markets. The CommunityExpress program is offered through hundreds of selected SBA lenders throughout the nation. Under CommunityExpress, approved lenders may use streamlined and expedited loan review and approval procedures to process SBA-guaranteed loans. These lenders may thus use, to the maximum extent possible, their own loan analysis, loan procedures, and loan documentation to process SBA loans to \$250,000. However lenders must provide technical assistance to the borrowers under this program. For more information, contact the Michigan District office at (313) 226-6075.

Special Purpose 7(a) Loan Programs

The 7(a) program is the most flexible of SBA's lending programs. The agency has created several variations to the basic 7(a) program to address the particular financing need of certain small businesses. These special purpose programs are not necessarily for all businesses but may be very applicable to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc. as the regular 7(a) loan guaranty. Lenders can advise you of any variations.

CAPLines

This specialized umbrella loan program is designed to help small businesses meet their short-term and cyclical working capital needs. The CAPLines can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts; finance the direct cost associated with commercial and residential construction performed on a speculative basis (without a firm commitment for purchase); finance operating capital by obtaining advances against existing inventory and accounts receivable; and consolidate short-term debt. SBA provides a 85 percent guarantee. There are five distinct programs under the CAPLine umbrella:

- **The Contract Loan Program** Is used to finance material and labor needs for a specific contract or contracts. Proceeds can be disbursed before the work begins. If used for one contract, it is generally not revolving; if used for more than one contract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than five years. Payment from the contract award must be sent directly to the lender.
- **The Seasonal Line of Credit Program** Finances the short-term, seasonal increases of accounts receivable and inventory. The business must have a definite established seasonal pattern and thus must have been in business for a period of 12 months in order to establish that pattern. The loan does not revolve during the season but may be used over again after a "clean-up" period of 30 days. These also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.
- **The Builders Line Program** Provides financing for small general contractors involved in residential or commercial construction or building rehabilitation for resale. Loan maturity is generally three years but can be extended up to five years if necessary. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.
- **The Small Asset-Based Line** Can be used for revolving lines up to \$200,000 to purchase inventory, pay direct labor or finance accounts receivable and is advanced against existing inventory and/or accounts receivable. Repayment comes from the collection of accounts

receivable or sale of inventory, and this line of credit must revolve. It does require periodic servicing and monitoring of the collateral for which service the lender can charge up to two percent annually to the borrower. These lines are generally used by businesses providing credit to their customers.

- **The Standard Asset-Based Line** Is similar to the Small Asset-Based Line, but for loan amounts over \$200,000. It does require stricter servicing and monitoring, and the lender may pass the costs along to the borrower.

EXPORT TRADE FINANCING

Export Working Capital Program

www.sba.gov/aboutsba/sbaprograms/internationaltrade/index.html

The SBA's Export Working Capital Program assists lenders in responding to the needs of exporters seeking short-term export working capital. This program enables U.S. exporters to obtain loans that facilitate the export of goods or services. The EWCP supports single transactions or revolving lines. The maximum

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dollar amount of an export line of credit under this program is \$1.5 million with a 90 percent guaranty. Under certain circumstances the maximum amount of an international trade loan can go up to \$1.75 million. The maximum amount of some export loans can be increased to \$2 million through co-guaranty between the SBA and the Export-Import Bank. Loan maturities are generally for a term of 12 months. The guaranty can be reissued for an additional 12 months through an abbreviated application process. The guaranty fee the SBA charges is 0.25 percent of the guaranteed amount of the loan for the initial 12 months. The Borrower negotiates the interest rate and all other fees with the lender. The program offers flexible terms, low fees and a quick processing time.

Eligibility of Exporter

You must have an operating history of at least one year – not necessarily in exporting.

Eligible Buyers

The foreign buyer must be a creditworthy entity located in an acceptable country.

Use of EWCP Proceeds:

- To acquire inventory for export or to be used to manufacture goods for export.
- To pay the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support Standby Letters of Credit related to export transactions.
- For pre-shipment working capital directly related to export orders.
- For post-shipment foreign accounts receivable financing.

Ineligible Use of Proceeds

- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business.
- To support a sale where the exporter is not taking title to the goods.
- To acquire, equip, or rent commercial space overseas.
- To serve as a Warranty Letter of Credit.

Collateral Requirements

- Guaranteed loans must be fully collateralized at all times.
- Collateral for the manufacturing sector typically consists of a first lien on all export-related inventory and export related accounts receivable.
- Collateral for the service sector typically consists of assignment of proceeds of export-related contracts or purchase orders and a first lien on export-related accounts receivable.
- Other collateral may be required.

How to Apply – A small business exporter seeking a guaranteed EWCP loan must apply to a lender.



For more information, please call our Senior International Officer John O'Gara at (313) 226-3670.

SBA Ex-Im Bank Co-Guarantee

This is designed to provide small business exporters the ability to obtain larger export working capital loans through the Export Working Capital Program than SBA could support alone. This program enables U.S. exporters to obtain loans that facilitate the export of goods or services. Under this program, the total export working capital line, with a 90 percent guarantee cannot exceed \$2 million. Loan maturities are generally for a term of 12 months. At the end of the 12-month maturity a borrower may reapply for a new guarantee. The guarantee fee SBA charges is 0.25 percent of the guaranteed amount of the loan for the initial 12 months. The guarantee fee that Ex-Im Bank charges is .25 percent on the loan amount that is guaranteed by them. The borrower negotiates the interest rate and all other fees with the lender.

Eligibility of Exporter

The same as for the SBA EWCP Program.

Eligible Buyers

The foreign buyer must be a creditworthy entity located in an acceptable country in conformity with the Ex-Im Bank's Country Limitation Schedule.

Use of Proceeds

Same as the SBA EWCP.

Ineligible Use of Proceeds

- Goods or services with less than 50 percent US content.
- To support the export of any Defense Articles or Defense Services.
- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business.
- To acquire, equip, or rent commercial space overseas.
- To serve as a Warranty Letter of Credit.

Collateral Requirements

Same as the SBA EWCP.

How to Apply

A small business exporter seeking a co-guaranteed loan must apply to a lender that is a participant in SBA's 7(a) Loan Guaranty Program. PLP and SBAExpress processing are not permitted. The lender must submit a completed Joint Application for Working Capital Guarantee and loan package to SBA. SBA evaluates and processes the application in accordance with SBA rules for its Export Working Capital program.

International Trade Loan Program

The program helps small businesses engaged or preparing to engage in international trade as well as small businesses adversely affected by competition from imports. This program combines a guarantee for short-term export working capital with a regular term loan. SBA can guarantee up to \$1.75 million, less the amount of SBA's guaranteed portion of other loans outstanding to the borrower under SBA's other financial assistance programs. Loans for facilities and equipment can have maturities of up to 25 years and the guarantee fee and interest rate is the same as for any standard 7(a) loans. Loans for the export working capital portion of the transaction are generally for a term of 12 months, and the borrower negotiates the interest rate and all other fees with the lender. The guaranty fee that SBA charges is the same as the EWCP for a loan of 12 months.

Eligibility of Exporter

- Applicants must meet the same eligibility requirements for a 7(a) loan.
- Applicant must establish the loan will significantly expand or develop an export market, or the applicant has been adversely affected by import competition, and, in addition the applicant must show that upgrading equipment or facilities will improve its competitive position.
- If eligibility is based on entering or expanding export sales, the applicant must submit a one or two page international business plan, including sufficient information to reasonably support the likelihood of expanded export sales.

Use of Proceeds

- For facilities or equipment, including purchasing land and building(s); building new facilities; renovating, improving, or expanding existing facilities; purchasing or reconditioning machinery, equipment and fixtures; and making other improvements that will be used within the United States for producing goods or services.
- For refinancing of existing debts structured with unreasonable terms. Only debts originally taken out for the purchase of fixed assets may be refinanced.
- Working capital is not an eligible use of proceeds for the International Trade Loan; however, working capital can be included in a companion 7(a) or Export Working Capital Program loan.

Collateral Requirements - Collateral requirements are the same as regular 7(a) loans.

- **How to Apply** - A small business exporter seeking a guaranteed loan must apply to an SBA participating lender. Call your local SBA District Office for a list of participating lenders.

Export Express

The Export Express program is designed to help SBA meet the export financing needs of small businesses. It is a subprogram of SBAExpress and is therefore subject to the same loan processing, making, closing, servicing, and liquidation requirements as well as the same maturity terms, interest rates, and applicable fees as for other SBA loans except as noted below. The total Export Express loan cannot exceed \$250,000. SBA guarantees 85 percent for loans of \$150,000 and under and 75 percent for loans over \$150,000 to \$250,000.

Eligible Buyers - The foreign buyer must be a creditworthy entity located in an acceptable country.

Use of Proceeds

- Finance standby letters of credit used for either bid or performance bonds;
- Finance export development activities such as export marketing and promotional activities, participation in foreign trade shows, translation of product literature for foreign markets, and other activities designed to initiate or expand the applicant's export of its products/services from the U.S.;
- Provide transaction-specific financing for overseas orders;
- Provide revolving lines of credit for export purposes, the term of which must not exceed seven years. In some instances, as a normal course of business, the borrower may use portions of revolving lines of credit for domestic purposes, but no less than 70 percent of the revolver to be used for export related purposes;
- Provide term loans and other financing to enable small business concerns, including small business export trading companies to develop foreign markets; and
- Acquire, construct, renovate, modernize, improve or expand production facilities or equipment to be used in the U.S. in the production of goods or services to be exported from the U.S.

Ineligible Use of Proceeds

Applicants with operations, facilities, or offices overseas, other than those strictly associated with the marketing and/or distribution of products/services exported from the U.S., are not eligible for Export Express or SBAExpress.

How to Apply

The application process is the same for the SBAExpress, except the applicant must demonstrate that loan proceeds will enable it to enter a new export market or expand an existing export market. The applicant must submit to the lender a plan that includes projected export sales for the upcoming year as well as the dollar volume of export sales for the previous year.

U.S. Export Assistance Center (USEAC)

U.S. Export Assistance Centers, which consist of SBA staff and the U.S. Department of Commerce in a single location, provide trade promotion and export-finance assistance for small businesses. The USEACs also work closely with other federal, state and

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John O'Gara

Regional Manager,
International Trade Programs
8109 E. Jefferson
Detroit, MI 48214
(313) 226-3670 • (313) 226-3657 Fax

The SBA International Trade Specialist at the USEAC administers SBA's two export loan programs, the Export Working Capital Program (EWCP) and Export Express. For more information on all export finance programs, please call John O'Gara at (313) 226-3670.

Detroit U.S. Export Assistance Center

8109 E. Jefferson Avenue, Suite 110
Detroit, MI 48214
(313) 226-3650 • (313) 226-3657 Fax

Grand Rapids U.S. Export Assistance Center

DeVos Center, Room 323-C
401 W. Fulton Street
Grand Rapids, MI 49504-6495
(616) 458-3564 • (616) 458-3872 Fax

Pontiac U.S. Export Assistance Center

250 Elizabeth Lake Road, Suite 1300 W.
Pontiac, MI 48341
(248) 975-9600 • (248) 975-9606 Fax

Ypsilanti U.S. Export Assistance Center

300 W. Michigan Avenue, Suite 312 Owen
Ypsilanti, MI 48197
(734) 487-0259 • (734) 485-2396 Fax

Community Adjustment and Investment Program

The Community Adjustment & Investment Program helps communities that suffered job losses due to changing trade patterns following the North American Free Trade Agreement. The North American Development Bank has partnered with the SBA and the U.S. Departments of Agriculture and the Treasury to make credit available to businesses in affected communities to help create or retain jobs.

Energy and Pollution Control Loan Programs

Two other adaptations of the 7(a) programs resulted in the Energy Loan Program for businesses that make, install and service energy savings devices and the Pollution Control Loan Program for businesses that want to install or operate a pollution control facility.

See www.sba.gov/services, then select "Special Purpose Loans" from the "Financial Assistance" menu along the bottom.

SBA's non-7(a) Loan Programs

In addition to the 7(a) Loan Program SBA has four other non-disaster assistance programs which can help small businesses gain access to capital and bonding.

CERTIFIED DEVELOPMENT COMPANY LOANS (504 LOAN PROGRAM)

The 504 Loan Program is an economic development program that supports American small business growth and helps communities through business expansion and job creation. This SBA program provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. Most for-profit small businesses are eligible for this program. The types of businesses excluded from 7(a) loans (listed previously) are also excluded from the 504 loan program.

The SBA 504 loan is distinguished from the SBA 7(a) loan program in these ways:

The 504 loan is backed by a 100 percent guaranteed debenture sold to investors.

The maximum debenture is:

- \$1.5 million for businesses that create a certain number of jobs or improve the economy of the locality;
- \$2 million for businesses that meet a specific public policy goal, including veterans; and
- \$4 million for manufacturers.
- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment. Working capital is not an eligible use of proceeds.
- Most borrowers are only required to make an injection (borrower contribution) of just 10 percent which allows the business to conserve valuable operating capital. A further injection of 5 percent is needed if the business is a start-up or new (less than 2 years old) and a further injection of 5 percent is also required if the primary collateral will be a single purpose building.
- Two-tiered project financing: a lender finances approximately 50 percent of the project cost and receives a first lien on the project assets (but no SBA guaranty); SBA provides a 100 percent guaranteed debenture that finances up to 40 percent of the project costs secured by a subordinate lien on the project assets. The borrower provides the balance of the project costs.
- Fixed interest rate on SBA loan. SBA guarantees the debenture 100 percent. Debentures are sold in pools monthly to

private investors. This low, fixed rate is then passed on to the borrower and establishes the basis for the loan rate. A recent history of debenture rates may be found at www.nadco.org

- All project-related costs can be financed, including acquisition (land and building, land and construction of building, renovations, machinery and equipment) and soft costs, such as title insurance and appraisals. Some closing costs may be financed.
- Collateral is typically a subordinate lien on the assets financed; allows other assets to be free of liens and available to secure other needed financing.
- Long-term; real estate loans are up to 20-year term, heavy equipment 10 or 20-year term and are self-amortizing.
- Loans are provided through Certified Development Companies. CDCs work with banks and other lenders to make loans in first position on reasonable terms, helping lenders retain growing customers and provide Community Redevelopment Act credit.

Businesses that receive 504 loans are:

- Small — net worth under \$7.5 million, net profit after taxes under \$2.5 million, or meet other SBA size standards.
- Organized for-profit.
- Most types of business — retail, service, wholesale or manufacturing.

The SBA's 504 Certified Development Companies serve their communities by financing business expansion needs. Their professional staff works directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower's business. For more information, go to www.sba.gov/services, then choose "SBA Loans" from the links in the right-hand column. From there, click on "CDC/504 Program." For more information, contact the Michigan District Office at (313) 226-6075 or contact the nearest CDC as listed:

Economic Development Foundation-Certified

1345 Monroe N.W., Suite 132
Grand Rapids, MI 49505
(888) 330-1776 • (616) 458-5736 Fax
www.growmichigan.com/

Lakeshore 504 - South Office

272 E. 8th Street
Holland, MI 49423
(616) 392-9633 • (616) 392-7379 Fax
www.lakeshore504.org/

Lakeshore 504 - North Office

One S. Harbor Drive
Grand Haven, MI 49417
(616) 846-3153 • (616) 842-0379 Fax
www.lakeshore504.org/

Metropolitan Growth and Development Corp.

600 Randolph Street, Third Floor
Detroit, MI 48226
(313) 224-0820 • (313) 224-8458 Fax

Michigan Certified Development Company

912 Centennial Way, Suite 300
Lansing, MI 48917
(517) 886-6612 • (517) 886-6619 Fax
www.michigancdc.org/

Oakland County Business Finance Corporation

2100 Pontiac Lake Road, Dept. 412, Bldg. 41
Waterford, MI 48328-0412
(248) 858-0765
www.oakgov.com/peds/division_committee/bfc.html

SEM RSource Capital

17177 N. Laurel Park Drive, Suite 360
Livonia, MI 48152
(734) 464-4418 • (734) 464-4419 Fax
<http://sem.resourcecapital.com/>

SEM RSource Capital

800 Monroe Avenue N.W., Suite 212
Grand Rapids, MI 49503
(616) 242-5153 • (616) 773-1373 Fax
<http://sem.resourcecapital.com/>

Microloan Program

The Microloan Program provides small loans ranging from under \$500 to \$35,000. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the loans directly to entrepreneurs, including veterans. Proceeds can be used for typical business purposes such as working capital, machinery and equipment, inventory and leasehold improvements. Interest rates are negotiated between the borrower and the intermediary.

For more information, go to www.sba.gov/services, then choose "SBA Loans" from the links in the right-hand column. From there, click on "Micro Loans." For more information, contact the Michigan District Office at (313) 226-6075 or contact the microlender serving your area:

Center for Empowerment and Economic Development

2002 Hogback Road, Suite 12
Ann Arbor, MI 48105
(734) 677-1400 • (734) 677-1465 Fax
www.miced.org/microloans.htm
Covers Hillsdale, Jackson, Lenawee, Livingston, Macomb, Monroe, Oakland, Washtenaw and Wayne counties (except the City of Detroit – See The Small Business Detroit Microloan Program listed).

The Small Business Detroit Microloan Program

Wayne County Community College District –
Eastern Campus, 5901 Conner
Detroit, MI 48213
(313) 267-1020
www.miced.org/detroit.htm
Covers City of Detroit

Northside Economic Potential Group

526 N. Burdick Street
Kalamazoo, MI 49007
(269) 342-5655 • (269) 342-6035 Fax
www.nepg.org/finance/sbaloans.html
Covers Barry, Branch, Berrien, Calhoun, Cass, Kalamazoo, St. Joseph and Van Buren counties.

Northern Initiatives

Northern Michigan University
University Center, Suite 1104
1401 Presque Isle Avenue
Marquette, MI 49855
(906) 228-5571 • (906) 228-5572 Fax
www.niupnorth.org/html/business_loans.htm
Covers the Upper Peninsula.

Rural Michigan Intermediary Relending Program

121 E. Front Street, Suite 201
Traverse City, MI 49684
(231) 941-5858 • (231) 941-4616 Fax
stevespencer49684@sbcglobal.net
Covers Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford, Emmet, Grand Traverse, Iosco, Kalkaska, Lake, Leelanau, Manistee, Mason, Missaukee, Montmorency, Ogemaw, Osceola, Oscoda, Otsego, Presque Isle, Roscommon and Wexford counties.

Cornerstone Alliance

38 W. Wall Street/P.O. Box 428
Benton Harbor, MI 49023-0428
(269) 925-6100 • (269) 925-4471 Fax
www.cornerstonechamber.com/smallbusiness/sbdc.taf
Covers Berrien, Cass and Van Buren counties.

Small Business Investment Company Program

There are a variety of alternatives to bank financing for small businesses, especially business start-ups. The Small Business Investment Company Program fills the gap between the availability of venture capital and the needs of small businesses that are either

“... as little as 10% down.”



EDF provides small businesses with up to 90% of the finances they need for land, buildings, machinery and equipment. All at below-market interest rates and 10- to 20-year terms. Let Sandy Bloem show you how: call 1-888-330-1776.



**ECONOMIC
DEVELOPMENT
FOUNDATION**
SBA-504 LOANS

1345 Monroe NW • Suite 132
Grand Rapids, MI 49505
www.growmichigan.com

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businesses since 1981**

starting or growing. Licensed and regulated by the SBA, SBICs are privately owned and managed investment firms that make capital available to small businesses through investments or loans. They use their own funds plus funds obtained at favorable rates with SBA guarantees. SBICs are for-profit firms whose incentive is to share in the success of a small business. In addition to equity capital and long-term loans, SBICs provide debt-equity investments and management assistance. The SBIC Program provides funding to all types of manufacturing and service industries. Some investment companies specialize in certain fields, while others seek out small businesses with new products or services because of the strong growth potential. Most, however, consider a wide variety of investment opportunities. For more information contact your nearest SBA office or the Web site at www.sba.gov/services, then choose "Financial Assistance" from the menu below. From there, click on "Equity Capital" and choose "SBA's Investment Program." For more information, contact the Michigan

District Office at (313) 226-6075, visit www.sba.gov/aboutsba/sbaprograms/inv/index.html or call any of these investment companies:

EDF Ventures, LP

425 N. Main Street
Ann Arbor, MI 48104-1147
(734) 663-3213 • (734) 663-7358 Fax
Mary Campbell, Contact
fingerle@edfvc.com

North Coast Technology Investors, LP

206 S. Fifth Avenue, Suite 550
Ann Arbor, MI 48104-0648
(734) 662-7667 • (734) 662-6261 Fax
Hugo Braun or Lindsay D. Aspegren
hugo@northcoastvc.com

Specialized Small Business Investment Company

Dearborn Capital Corp
c/o Ford Motor Credit Corporation
The American Road
Dearborn, MI 48121
(313) 337-8577 • (313) 390-3783 Fax
Michael Kehres, President
mkehres@ford.com

The Surety Bond Guarantee Program

Although it is not a business loan program, the Surety Bond Guarantee Program is a public-private partnership between the federal government and the surety industry providing small businesses with the bonding assistance necessary for them to compete for government and private contracting opportunities. The guarantee provides the necessary incentive for sureties to bond small businesses that would otherwise be unable to obtain bonding. They typically lack the combination of working capital and a performance track record necessary to secure bonding on a reasonable basis through regular commercial channels.

Through this program, the SBA guarantees bid, payment and performance bonds issued by surety companies for individual contracts of up to \$2 million on behalf of eligible small construction, service, and supply contractors. The SBA reimburses sureties a predetermined percentage of losses sustained if a contractor breaches the terms of the contract.

The SBA has two program options available, the Prior Approval Program (Plan A) and the Preferred Surety Bond Program (Plan B). In the Prior Approval Program, SBA guarantees 90 percent of a surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonds for socially and economically disadvantaged and HubZone contractors and veterans and service-disabled veterans. All other bonds guaranteed in the Plan A Program receive an 80 percent guarantee. Sureties must obtain SBA's prior approval for each bond guarantee issued. Under the PSB Program, SBA guarantees only 70 percent, but sureties may issue, monitor and service bonds without SBA's prior approval.

For more information on the Surety Bond Program, visit SBA's web site at www.sba.gov and choose "Services." From there, select "Financial Assistance" and click on "Surety Bond." Participating surety companies that work with Michigan companies include:

Participating Surety companies that work with Michigan companies include:

J.M. Wilson Corporation

Carmel, IN
(800) 538-4796

Mourer Foster

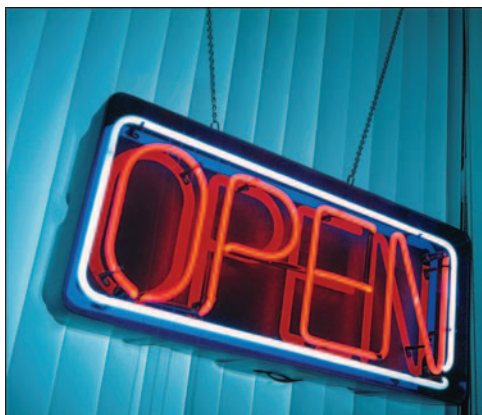
Lansing, MI
(517) 371-2300

Guy Hurley Blaser & Heuer, LLC

Troy, MI
(248) 519-1431

Zervos Group

Southfield, MI
(248) 355-4411



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realize the big picture.

MCDC SBA 504 loans are fast, easy and efficient. Only **10% down** and **20-year term** financing. Below-market fixed rates, fast approvals and great service let you get down to business fast.

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(517) 886-6612
www.michigancdc.org



SBA QUICK REFERENCE TO SBA LOAN GUARANTY PROGRAMS

Program	Maximum Loan Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees	Who Qualifies
7(a) Loans Regular 7(a) and PLP	\$2 million gross (1.5 million guaranty)	Maximum guaranty of 75% up to \$1.5 million; 85% if gross loan is \$150,000 or less.	Expansion/renovation; new construction; purchase land or buildings; purchase equipment, fixtures, leasehold improvements; working capital; refinance debt for compelling reasons; seasonal line of credit, inventory	Depends on ability to repay. Generally working capital & Machinery & Equipment (not to exceed life of equipment) is 5-10 years; real estate is 25 years.	Loans 7 years or less: max. prime + 2.25%; over 7 years: prime + 2.75%; under \$50,000, rates can be higher by 2% for loans of \$25,000 or less; and 1% for loans between \$25,000 and \$50,000. Prepayment penalty for loans with maturities of 15 years or more if prepaid during 1st 3 years.	(Fee charged on guaranteed portion of loan only.) Maturity 1 year or less 0.25% guaranty fee; over 1 year: \$150,000 gross amount) or less = 2%; \$150,001 - \$700,000 = 3.0%; over \$700,000 = 3.5%. 3.75% on guar. portion over \$1 million. Ongoing fee of 0.494%.	Must be for profit & meet SBA size standards; show good character, credit, management, and ability to repay. Must be an eligible type of business.
www.sba.gov/financing/sbaloan/7a.html							
SBAExpress Lender minimal paperwork for SBA	\$350,000	50%	May be used for revolving lines of credit (up to 7 year maturity) or for a term loan (same as 7(a)).	See 7(a)	Loans \$50,000 or less prime + 6.5%; \$50,000 + Prime + 4.5%.	See 7(a)	See 7(a)
www.sba.gov/financing/lendinvest/sbaexpress.html							
Community Express. Same as Regular 7(a) but must be located in a low or moderate income urban or rural area, or owned by a minority, woman or a veteran.	\$250,000	85% of loans of \$150,000 or less. Loans over \$150,000 receive a 75% guaranty.	See 7(a)	See 7(a)	Same as 7(a) except that lines of credit may resolve for only 5 years and must be repaid within no more than 7 years.	2% on guaranteed portion of loans up to \$150,000; 3% on the guaranteed portion of loans more than \$150,000. 1/4% for lines of credit up to one year.	No SBA application required. Bank has delegated authority. Program provides Technical Assistance as needed for marketing, financial, management and planning.
www.sba.gov/services/financialassistance/7aLenderprograms/comexpress/index.html							
Patriot Express Lender approves loan. Minimal additional paperwork for SBA.	\$500,000	Maximum guaranty of 75% up to \$375,000; 85% if gross loan is \$150,000 or less.	Same as SBA Express	See 7(a)	Same as Regular 7(a)	See 7(a)	See 7(a). In addition, small business must be owned and controlled by one or more of the following groups: veteran, active-duty military, reservist or National Guard member or a spouse of any of these groups, or a widowed spouse of a service member or veteran who died during service or of a service-connected disability.
www.sba.gov/services/financialassistance/7alenderprograms/pe/index.html							
CAPLines: Short-term/ Revolving Lines of Credit; Seasonal Contract Builders Standard/ Small Asset-Based	\$2 million (small asset based limited to \$200,000)	75% if more than \$150,000 85% if total loan is \$150,000 or less	Finance seasonal working capital needs; cost to perform; construction costs, advances against existing inventory and receivables, consolidation of short-term debts	Up to 5 years	Same as 7(a) except the Standard Asset-Based no fee restriction, but fee disclosure to SBA required.	See 7(a)	See 7(a) Existing business
www.sba.gov/financing/lendinvest/caplines.html							
International Trade	\$2 million (Separate working capital loan plus IT loan together may have \$1.75 million combined guaranty.)	75% if more than \$150,000 85% if total loan is \$150,000 or less	IT loan must be used only for the acquisition of long-term, fixed assets or the refinancing of debt for these purposes. Separate working capital loan may be used for working capital needs associated with international trade.	Up to 25 years.	See 7(a)	See 7(a)	Small businesses (see 7(a) for qualifications) engaged/ preparing to engage in international trade/adversely affected by competition from imports
www.sba.gov/financing/loanprog/tradeloans.html							
Export Working Capital Program 1 page application, fast turnaround, may apply for prequalification letter.	\$2 million (may be combined with International Trade loan)	90% up to \$1.5 million maximum guaranty	Short-term working capital loans for exporters	Matched single transaction cycle or generally 1 year for line of credit	No cap	See 7(a)	Small businesses 7(a) for other qualifications, those who need short-term working capital.
www.sba.gov/financing/loanprog/ewcp.html							
Non-7(a) Loans Microloans Loans through nonprofit lending organizations; technical assistance also also provided	\$35,000 (total loan amount to small business borrower)	Not applicable	Purchase Machinery & Equipment, fixtures, leasehold improvements; finance increased receivables; Working Capital. Cannot be used to repay existing debt.	Shortest term possible, not to exceed 6 years	Negotiable with intermediary	No guaranty fee	Same as 7(a)
www.sba.gov/financing/sbaloan/microloan.html							
504 Loans Provided through Certified Development Companies (CDCs) which are licensed by SBA.	504 loan maximum amount ranges from \$1.5 M to \$4.0 M depending on project.	Project Costs financed by: 504 Loan up to 40% Lender: 50% Equity 10-20%	Long-term fixed-asset loans; Lender (non-guaranteed) financing secured by first lien on project assets. 504 loan provided from SBA 100% guaranteed debenture sold to investors at fixed rate secured by 2nd lien.	504 Loan: 10- or 20-year term. Lender (unguaranteed) financing may have a shorter term.	Fixed rate on 504 Loan established when debenture backing loan is sold. Declining prepayment penalty for 1/2 of term.	0.5% upfront fee to SBA on the first mortgage amount. Ongoing guaranty fee (FY 2008) is 0.021% of principal O/S. Ongoing fee % does not change during term.	For profit businesses that do not exceed \$7.5 million in tangible net worth and do not have average net income over \$2.5 M for past 2 years.

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BUSINESS PREPARATION

Small Business Training Network

How To Get Equipped With Business Intelligence



Throughout its history, the SBA has complemented its financial assistance programs with resources aimed at helping small business owners gain skills required to start, manage and grow a small enterprise.

The nearly 60 publications listed in its Resource Directory for Small Business Management include titles related to business planning, financial management, management and planning, marketing, products/ideas/inventions, personnel management, crime prevention and emerging business.

The publications are now available for downloading from the SBA's Web site at: www.sba.gov/tools. Select "Publications" from the "Library & Resources" menu along the bottom.

SBA Small Business Training Network

The Small Business Training Network is a virtual campus complete with courses and programs to help the small business owner.

The SBTN reaches new markets and trains small business clients in a changing global environment. The on-line classroom features easy-to-use, electronic business courses available 24 hours-a-day. The network provides interactive, easily accessible courses on topics most in demand by small business clients.

The SBTN includes several key components:

- Online courses and resource areas
- SBA online courses
- Library & online research materials
- Access to business counselors

On this site, you can read articles, take courses, or begin researching areas of small business development that interest you. Or, through a SCORE Cyber-Chapter, you can access via e-mail business advice on an issue that you're struggling with today.

Now featured in the network are four new eCommerce resources, designed to help small businesses increasingly influenced by the Internet and other emerging technologies.

The SBTN can be accessed from SBA's Home Page at:

<http://www.sba.gov/services/>, Then choose "Online Training" from the menus across the bottom.

CONTRACTING OPPORTUNITIES

Partnerships Work

How To Apply For Government Contracts



The federal government is the largest purchaser of goods and services in the world. However, small businesses face challenges when trying to win federal contracts. The SBA can help small businesses work through these challenges. Working closely with federal agencies and the nation's leading large contractors, the SBA works to ensure that small businesses obtain a fair share of government contracts and subcontracts. The SBA has a number of programs to help small firms do business with the federal government.

For more information, visit: www.sba.gov/gc

THE PRIME CONTRACTS PROGRAM

Through the Prime Contracts Program, the SBA helps to increase small business' share of government prime contracts. SBA Procurement Center Representatives work to expand contracting opportunities for small businesses. PCRs review contracting strategies and actions, review prime contractors' subcontracting plans, recommend contracting sources, and provide one-to-one counseling and training to small businesses seeking to do business with the federal government.

Visit the SBA's Office of Government Contracting home page at: www.sba.gov/gc for a listing of PCRs and buying installations nationwide.

The Subcontracting Assistance Program

The Subcontracting Assistance Program promotes maximum use of small businesses by the nation's large prime contractors. The SBA's Commercial Market Representatives work with large businesses to identify and expand subcontracting opportunities for small businesses. CMRs conduct compliance

reviews to ensure that large businesses comply with small business subcontracting requirements. They also provide guidance to assist small businesses in identifying subcontracting opportunities and marketing their products and services to these large contractors.

CMRs work with agencies to ensure subcontracting with small and small, disadvantaged businesses through inclusion of subcontracting evaluation factors and sub-factors.

THE CERTIFICATE OF COMPETENCY PROGRAM

The Certificate of Competency Program allows a small business to appeal a contracting officer's determination that it is unable to fulfill the requirements of a specific government contract on which it is the apparent successful offeror. The SBA will conduct a detailed review of the firm's technical and financial capabilities to perform on the contract. If the business demonstrates the ability to perform, the SBA issues a Certificate of Competency to the Contracting Officer, requiring award of that contract to the small business.

SMALL BUSINESS SIZE STANDARDS

The Small Business Act states that a small business concern is "one that is independently owned and operated and which is not dominant in its field of operation." The law also states that in determining what constitutes a small business, the definition will vary from industry to industry to reflect industry differences accurately. The SBA's Small Business Size Regulations (13 CFR Part 121, www.sba.gov/size/index.html)

implement the Small Business Act's mandate to the SBA.

The SBA has also established a table of size standards, matched to North American Industry Classification System industries, used to determine eligibility for SBA programs and small business preferences for federal government contracts.

See more at: <http://www.sba.gov/services/>, then click on "Size Standards" under the "Contracting Opportunities" menu across the bottom.

Size Determination

The Size Determination Program, administered by SBA's six government contracting area offices, ensures that only small firms receive contracts and other benefits reserved exclusively for small business. When a firm's claim that it is small is challenged, the SBA determines if the firm does, in fact, meet established SBA size standards. Size determinations may also be made when requested in connection with other federal small business programs.

Additional information is available at the above "Size Standards" site.

SMALL BUSINESS VENDOR DATABASE

As part of the Integrated Acquisition Environment Initiative, the SBA works with the General Services Administration and Department of Defense to provide a database of vendors, including small business. The Central Contractor Registration (CCR) System is the primary gateway vendor and grantee database for the federal government. CCR collects, stores and disseminates data to support agency acquisition and grants missions. Both current and potential federal government vendors and grantees are required to register in CCR to receive federal contracts or grants. Vendors are required to complete a one-time registration to provide basic information relevant to procurement, grant and financial transactions.

Vendors must update or renew their registration at least once a year to maintain an active status. The SBA provides the CCR with authoritative source information regarding certifications under 8(a) Business Development, HUBZone and Small Disadvantaged Business programs and provides the small business size status against each North American Industry Classification code listed in a registrant's profile.

SBA maintains the Dynamic Small Business

Search function of the CCR. Businesses profiled on the DSBS can be searched by NAICS codes, keywords, location, quality certification, bonding level business type, ownership, SBA certification, and by women, minority, veteran and service-disabled veteran ownership. The DSBS serves as a marketing tool for small businesses because the business profiles in the DSBS include information from SBA's files and other available databases plus additional business and marketing information on individual firms.

To search the DSBS for small businesses, click on:

http://dsbs.sba.gov/dsbs/dsp_dsbs.cfm

or select the "Dynamic Small Business Search" at the CCR Web site at: <http://www.ccr.gov>.

Registration in the DSBS is through the CCR. For more information on CCR, or to register, click the CCR Web site. Before registering in CCR, go to the top of the Web page and download the handbook which contains data for a successful registration.

SUB-NET

Prime contractors use SUB-Net to post subcontracting opportunities. Small businesses can review this Web site to identify opportunities in their area(s) of expertise. While the Web site is designed primarily as a place for large businesses to post solicitations and notices, it is also used by federal agencies, state and local governments, nonprofit organizations, colleges and universities, and even foreign governments for the same purpose.

The Web site has shifted the traditional marketing strategy from the shotgun approach to one that is more focused and sophisticated. Instead of marketing blindly to hundreds of prime contractors, with no certainty that any given company has a need for their product or service, small businesses can now use their resources (saving time and money) to identify concrete, tangible opportunities and then submit bids/proposals targeting these potential subcontracting opportunities.

SUB-Net is available at the SBA Web site by visiting: <http://web.sba.gov/subnet>

HUBZONE PROGRAM

The Historically Underutilized Business Zone Program stimulates economic development and creates jobs in urban and rural communities by providing federal contracting assistance to small businesses.

The HUBZone program establishes preferences for award of federal contracts to

small businesses located in historically underutilized business zones.

In general, small businesses may obtain HUBZone certification by employing staff who live in a HUBZone and maintaining a "principal office" in one of these specially designated areas. There are over 400 HUBZones in Michigan with over 200 in the city of Detroit.

SBA is responsible for:

- Determining whether or not individual concerns are qualified HUBZone small business concerns, and therefore eligible to receive HUBZone contracts;
- Maintaining a list of qualified HUBZone small business concerns for use by acquisition agencies in awarding contracts under the program; and
- Adjudicating protests and appeals of eligibility to receive HUBZone contracts.

To qualify for the program, a business must meet the following criteria:

- It must qualify as a small business by SBA size standards;
- Its principal office must be located within a HUBZone, which includes lands on federally recognized Indian reservations and covered by phrase "Indian Country";
- It must be owned (at least 51 percent) by one or more U.S. citizens, or Community Development Corporation or an agricultural cooperative, or an Indian tribe; and
- At least 35 percent of its employees must reside in a HUBZone.

Existing businesses that choose to move to qualified areas are eligible. To fulfill the requirement that 35 percent of a HUBZone firm's employees reside in the HUBZone, employees must live in a primary residence within that area for at least 180 days or be a currently registered voter in that area.

For additional information regarding the HUBZone Program, please visit:

www.sba.gov/hubzone/

SERVICE-DISABLED VETERAN-OWNED & VETERAN-OWNED SMALL BUSINESS PROCUREMENT INFORMATION

Entering the Federal marketplace is a serious business decision. Ask yourself tough questions about the Federal market. Is this where you want to concentrate your marketing efforts now, or in the future? Remember, success in the Federal marketplace is never guaranteed; federal contracting officials are looking for best value. To compete in the Federal marketplace, you must register your business in the Central Contractor Registry (CCR) at www.ccr.gov.

When you register, you will Self-Certify your status as a Service-Disabled Veteran, or a Veteran-Owned Small Business. SBA strongly urges you to have official government documents readily available in the event a contract award is protested when your business is chosen by a federal contracting authority. You can visit the National Archives and Records Administration (NARA) web site at www.archives.gov/veterans/military-service-records/get-service-records.html to request certified copies of your DD: 214 Discharge Document or other official DOD records. You can also contact your local Department of Veterans Affairs Regional Office (VA-RO) to request a letter demonstrating that you have been adjudicated by VA as having a service-connected disability.

PROCUREMENT TECHNICAL ASSISTANCE CENTERS OF MICHIGAN

Another resource SBA works with to locate procurement opportunities for Michigan companies are the Procurement Technical Assistance Centers of Michigan (PTAC). This statewide network provides government contract and export assistance. Highly skilled professionals assist businesses in acquiring federal and state government contracts, as well as identifying international product or service markets for exporting. Many PTACs are co-located with other SBA resource partners such as the Michigan SBTDCs. Visit PTAC's Web page at: www.michigantac.org. The PTACs include:

Muskegon Area First
Big Rapids (231) 796-4484

Wayne State University – Professional Development Division
Detroit (313) 577-2241

Genesee Regional Chamber of Commerce
Flint (810) 600-1432 or (810) 600-1433

Technical Assistance Center of South Central Michigan
Jackson (517) 788-4680

S.W. Michigan Technical Assistance Center
Kalamazoo (269) 381-2977 ext. 3243 or ext. 3245

PTAC of Schoolcraft College
Livonia (734) 462-4438

Macomb Community College PTAC
Marlette (989) 635-3561 ext. 227

Muskegon Area First
Muskegon (231) 722-7700

N.E. Michigan Consortium
Onaway (989) 733-8548

Economic Development Alliance of St. Clair County
Port Huron (810) 982-9511

Saginaw Future, Inc.
Saginaw (989) 754-8222 ext. 232


Downriver Community Conference
Southgate (734) 362-3477

N.W. Michigan Council of Governments
Traverse City (231) 929-5036

Macomb Community College PTAC
Warren (586) 498-4039 or 4122

ASSISTANCE FOR SMALL AND DISADVANTAGED BUSINESSES 8(A) BUSINESS DEVELOPMENT PROGRAM

The SBA's Section 8(a) Business Development Program provides various forms of assistance (management and technical assistance, financial assistance, government contracting assistance and advocacy support) to foster the growth and development of businesses owned by socially and economically disadvantaged individuals. SBA assists these



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*Based on number of approved SBA loans from 10/01/06 thru 09/30/07 as reported by the US Small Business Administration, Michigan District Office.
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businesses, (during a nine-year tenure in the 8(a) Business Development Program), to gain equal access to the resources necessary to develop their businesses and improve their ability to compete on an equal basis in the mainstream of the American economy.

Business development assistance includes one-to-one counseling, training workshops, and other management and technical guidance required to expand into the federal government contracting arena.

The SBA enters into contracts with other federal agencies and subcontracts the performance of such contracts to 8(a) program participants.

Eligibility Criteria:

To participate in the 8(a) program, a business must be:

- a small business concern
- owned by a U.S. citizen
- at least 51 percent unconditionally owned and operated by an individual(s) who is socially and economically disadvantaged
- established for two full years before applying (or qualifying for a waiver of the two-year rule)

Social disadvantage:

Social disadvantage is defined as individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual capabilities. The following individuals are presumed to be

socially disadvantaged: Black Americans, Native Americans, Hispanic Americans, Asian Pacific Americans and Subcontinent Asian Americans. An individual who is not a member of one of the groups presumed to be socially disadvantaged must establish individual social disadvantage by a preponderance of the evidence. Anyone may apply for 8(a) Program certification.

For additional information regarding evidence of social disadvantage, please visit: www.sba.gov/8abd/indexprograms.html

Economic disadvantage:

Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free-enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged.

Net worth:

For initial 8(a) Program certification, the net worth of an individual claiming disadvantage, must be less than \$250,000. For continued 8(a) Program eligibility after admission, net worth must be less than \$750,000. In determining such net worth, SBA will exclude the ownership interest in the applicant or participant and the equity in the primary residence.

Day-to-Day Management:

- Management and daily business operations must be controlled by disadvantaged individual(s) upon whom eligibility is based.
- The individual(s) must have management or technical expertise directly related to the primary product or service of the business.

For additional information on the 8(a) Business Development Program, please visit: www.sba.gov/8abd/

Small Disadvantaged Business Certifications

To qualify as a small disadvantaged business, a firm must be owned and controlled by one or more individuals who are socially and economically disadvantaged. Congress has directed that individuals who are members of certain ethnic groups are presumed to be disadvantaged. Other persons, including women and persons of any race, can also qualify by establishing their disadvantaged status.

Once certified by the SBA, the firm can be added to an online registry of SDB-certified firms maintained in CCR/DSBS. Firms remain on the list for three years. Contracting Officers and prime contractors may search this registry for potential contractors.

For additional information on SDB Certification and Eligibility, visit the SDB Web site at: www.sba.gov/services, and select

SUCCESS STORY

The Torch Is Passed!

Todd Lincoln's original dream was to be a full time firefighter, and in 1990 he joined the Northville Township Fire Department as a volunteer fire fighter. In 1993, he had an opportunity to join Halt Fire, Inc., a dealership which sold fire trucks and emergency equipment to cities and townships. The owner said that he wanted to teach Todd the business in hopes that someday Todd could run it. His real desire, however, was to sell the business to Todd and retire. Todd's plans were more straightforward. He saw this job as an opportunity to meet the right people who could help him get a full time position with a fire department. This was his dream!

As time went by, however, Todd caught the entrepreneurial bug. He realized that he actually enjoyed the challenges that came with running a business. As a result, his focus changed from wanting to be a firefighter to becoming a small business owner. Todd had a vision to take Halt Fire from being a seller of fire trucks and emergency equipment to a full service company. He thought Halt Fire could be a "one stop shop" for customers. In 1999, with the support of his wife, Todd made the decision to purchase the

company. Once the transaction was completed, the torch was passed and he really owned his own small business.

As the years passed, Todd grew his business and learned more about his competitors. Specifically, he was amazed to learn that there are more than 80 manufacturers of fire apparatus in the country. When he would bid on contracts to sell equipment he found several companies competing right along with them. Fortunately, Todd knew his competitive advantage: Halt Fire represents Pierce in Michigan, the number one manufacturer in the country.

In 2003, the time had come to implement his plan and grow the business into the "one stop shop" he had dreamed about. His timing was perfect since Pierce Equipment was looking to Halt Fire to do warranty work on the new equipment that was being sold. It was time to find people, equipment, and a service center.

Halt Fire had experience in selling equipment but not in service work. With the help of his CPA, Todd started to look for a bank to finance his growth. With the assistance of National City Bank, Halt Fire received

a \$150,000 SBA Express loan. The financing put the company in a position to purchase the equipment and move to a larger location. It would also provide the funds to hire and train the service people needed. In January 2004, the company made the move to a new 12,000 square foot facility that it rents in Wixom. Halt Fire was now not only able to service the equipment it sells, but also to service its competitors' products.

Todd realizes the challenges of owning a small business will always be great. It is often a juggling act to find time for the business, family, and other interests, such as golf and amateur auto racing. As with many small business owners, Todd has found it challenging to find the right people to handle parts, warranty, repairs, and manage the entire operation. Fortunately, he feels very blessed that he has hired a great staff that holds a "whatever it takes attitude" in business.

The number of employees has grown from two full time staff when he bought the business in 1999 to ten full time and ten commission-based salesmen today.

"Small Business Certifications" from the "Contracting Opportunities" menu in the center of the page or contact the Michigan District Office at (313) 226-6075.

Other Certifications

Minority Business Enterprise Certification

Provided by the private sector, this certification is required by many private sector businesses. The Michigan certifying body is the Michigan Minority Business Development Council (313) 873-3200 or visit www.mmbdc.com.

Disadvantaged Business Enterprise (DBE)

Provided by the Michigan Department of Transportation, required for DOT funded contracts. For more information, contact the DOT at (202) 366-1930 or Michigan DOT (866) 323-1264.

Online 8(a)/SDB Application

The online 8(a)/SDB application allows small companies to apply for 8(a) Business Development and Small Disadvantaged Business certification directly from SBA's Web site. The 8(a)/SDB online application incorporates features including context sensitive help, real-time validation, printer-friendly versions and integrates with the CCR/DSBS.

This is one example of how the SBA utilizes technology such as the Internet to simplify the interaction between small business and the federal government.

You may access the electronic 8(a)/SDB application by visiting:

<https://sba8a.symplicity.com/applicants/guide>

If you are having difficulty with SBA's General Login System (GLS), please contact ITSecurity@sba.gov.

If you are having difficulty with the Central Contractor Registration (CCR), please go to <http://www.ccr.gov/help.asp> for contact information.

If you are having difficulty with the Dynamic Small Business Search (DSBS), please contact Robert.Connolly@sba.gov.

Small Disadvantaged Business (SDB) E-application, please contact SDB@sba.gov.

8(a) Business Development E-application, please contact 8ABD@sba.gov.

The Mentor-Protégé Program for 8(a) Participants

Through the SBA's Mentor-Protégé Program, 8(a) Program participants can receive in-depth

business advice to assist them in becoming more competitive in obtaining federal government contracts. The SBA's Mentor-Protégé Program encourages private-sector relationships and broadens the agency's efforts to address the needs of clients in the 8(a) Program.

If you are an 8(a) participant, mentors can provide you with technical and management assistance, financial assistance in the form of equity investments or loans, subcontract support, and assistance in performing prime contracts through joint-venture arrangements with 8(a) businesses.

For additional information, please visit: www.sba.gov/8abd/mentoroverview.html

Service-Disabled Veteran-Owned Small Business

In 1999 public law established federal procurement opportunities for veterans and service-disabled veterans. In 2003, the Small Business Act established procurement vehicles for small businesses owned and controlled by service-disabled veterans.

Contracting officers may award a sole-source or set-aside contract to a small business owned by a service-disabled veteran if:

- The business is a responsible contractor able to perform the contract, and the contracting officer does not reasonably expect two or more small businesses owned and controlled by service-disabled veterans will submit offers.
- The anticipated award price of the contract (including options) won't exceed \$5 million in case of a contract opportunity assigned a North American Industry Classification System code for manufacturing; or
- \$3 million in the case of any other contract opportunity;
- In the estimation of the contracting officer, the contract award can be made at a fair and reasonable price.

Additionally, a contracting officer may award contracts after competition restricted to small business concerns owned and controlled by service-disabled veterans if the contracting officer reasonably expects two or more small businesses owned and controlled by service-disabled veterans will submit offers and that the award can be made at a fair market price.

Veterans and service-disabled veterans participate in all SBA procurement programs. To determine your eligibility, contact your local veterans business development officer in your nearest SBA district office, visit the various program Web sites or contact the SBA's Office of Veterans Business development at www.sba.gov/vets.

For more information about SBA's Service-Disabled Veterans Business program, visit www.sba.gov/VETS/index.html

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The SBIR Program encourages small businesses to explore their technological potential by reserving a specific percentage of federal research and development funds for small businesses. The program serves to fund the critical startup and development stages for a technology and encourages commercialization of the technology, product or service. In turn, this stimulates the U.S. economy.

SBIR Requirements:

Small businesses must meet the following eligibility criteria to participate in the SBIR program.

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S. or be a for-profit business concern that is at least 51 percent owned and controlled by another for-profit business concern that is at least 51 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the U.S.
- Be organized for profit.
- Principal researcher must be employed by small business.
- Company size cannot exceed 500 employees.

For more information on the SBIR Program visit www.sba.gov/services, then scroll down the "Contracting Opportunities" menu along the bottom and click on "Contracting Program." From there, select "SBIR/STTR Programs" from the menu that appears on the right-hand side.

Participating Agencies:

Each year, the following eleven federal departments and agencies are required to reserve a portion of their R&D funds for award to small business: Departments of Agriculture; Commerce; Defense; Education; Energy; Health and Human Services; Homeland Security; Transportation; Environmental Protection Agency; National Aeronautics and Space Administration; and National Science Foundation.

For more information on the SBIR Program, please visit:

www.sba.gov/sbir/indexsbir-sttr.html

SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

This STTR program reserves a specific percentage of federal R&D funding for award to small business and nonprofit research institution partners. Small business has long been where innovation and innovators thrive. But the risk and expense of conducting serious R&D efforts can be beyond the means of many small businesses. Conversely, nonprofit research laboratories are instrumental in developing high-tech innovations. But frequently, innovation is confined to the theoretical, not the practical. STTR combines the strengths of both entities by introducing entrepreneurial skills to high-tech research efforts. The technologies and products are transferred from the laboratory to the marketplace. The small business profits from the commercialization, which, in turn, stimulates the U.S. economy.

STTR Requirements:

Small businesses must meet the following eligibility criteria to participate in the STTR Program.

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S.
- Be organized for profit.

- Principal researcher need not be employed by small business.
- Small business must conduct at least 40 percent of the work.
- Company size cannot exceed 500 employees. (No size limit for nonprofit research institution).

The nonprofit research institution partner must also meet certain eligibility criteria:

- Be located in the United States and be one of the following:
 - Nonprofit college or university.
 - Domestic nonprofit research organization.
 - Federally funded R&D center.
- The research institution must conduct at least 30 percent of the work.

Participating Agencies:

Each year the following five Federal departments and agencies are required by STTR to reserve a portion of their R&D funds for award to small business/nonprofit research institution partnerships: Department of Defense; Department of Energy; Department of Health and Human Services; National Aeronautics and Space Administration; and National Science Foundation.

TECH-Net

TECH-Net is an Internet-based database of information containing Small Business Innovation Research awards, Small Business Technology Transfer awards, Advanced

Technology Program awards, and Manufacturing Extension Partners centers.

It is a search engine and electronic gateway of technology information and resources for and about small high-tech businesses. It is a tool for researchers, scientists, state, federal and local government officials, a marketing tool for small firms and a potential "link" to investment opportunities for investors and other sources of capital.

TECH-Net is a free service for those seeking small business partners, small business contractors and subcontractors, leading edge technology research, research partners, (e.g. small businesses, universities, federal labs and non-profit organizations), manufacturing centers and investment opportunities.

TECH-Net is available at:

<http://tech-net.sba.gov>

MANAGEMENT AND TECHNICAL ASSISTANCE

SBA's Section 7(j) Management and Technical Assistance Program authorizes the SBA to enter into grants, cooperative agreements and contracts with public or private organizations to pay all or part of the cost of technical or management assistance for individuals or concerns eligible for assistance under sections: 7(a) (11), 7(j) (10), or 8(a) of the Small Business Act. Specifically, the following are eligible to receive management and technical assistance including businesses which qualify as small under 13CFR part 121 of this title: concerns located in urban or rural areas with high proportions of unemployed or low-income individuals, or which are owned by such low-income individuals; and businesses eligible to receive 8(a) contracts.

The types of assistance available to eligible individuals through the Management and Technical Assistance Program include counseling and training in the areas of:

- Finance
- Management
- Accounting
- Bookkeeping
- Marketing and presentation analysis
- Advertising
- Loan packaging
- Proposal bid preparation
- Feasibility studies
- Industry specific technical assistance
- The identification and development of new business opportunities

More information is at:

www.sba.gov/8abd/indexgrantinfo.html

Business Directory

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Disaster Assistance

Knowing the Types of Assistance Available for Recovery



The SBA's Disaster Assistance Program is the only federal program providing loan assistance to homeowners, renters and businesses following disasters. The program provides eligible applicants with certain financial assistance only after an affected area is declared a disaster by the President or the Administrator of the SBA. This loan program is intended for funding of private-sector, non-agricultural losses for which the victims are uninsured or underinsured.

Eligibility is determined by review of a business' or an individual's financial situation as reviewed against established SBA guidelines. A low interest rate (not to exceed 4 percent) is available to applicants without credit available elsewhere; a higher rate (not to exceed 8 percent) is available to applicants with credit available elsewhere.

There are several types of assistance available to qualified applicants.

Physical Disaster

Loans are available to businesses and homeowners and renters. Loans are available to qualified business applicants of any size for uninsured or underinsured disaster losses of up to \$1.5 million. Businesses may use these funds to replace or repair real estate, equipment, fixtures, inventory, and leasehold improvements to pre-disaster condition. Homeowners receive loans, up to \$200,000 for real property losses to repair or restore a primary residence to pre-disaster condition. Homes which are not primary residences are ineligible. Qualified renters and homeowners may also obtain loans for uninsured or

underinsured personal property losses up to \$40,000 to repair or replace personal property such as clothing, furniture, cars, etc. Loans are not intended to replace extraordinarily expensive or irreplaceable items such as antiques, pleasure craft, recreational vehicles or fur coats.

Economic Injury Disaster Loans

Loans of up to \$1.5 million are available for small businesses only which sustain economic injury as a direct result of the disaster event. These working capital loans are intended to be made to small businesses, without credit elsewhere, to help pay ordinary and necessary operating expenses that would have been payable barring the disaster event. Businesses may receive combined EIDL and physical disaster loans up to \$ 1.5 million, unless the business meets the federal criteria as a major source of employment. In that event, the \$1.5 million may be waived when appropriate application is made and documentation provided.

Military Reservist Economic Injury

During Title 10 activations, loans are available to \$1.5 million to assist eligible small businesses to meet their ordinary and necessary operating expenses that they could have met, but are unable to meet, because an essential employee, including the owner, was "called up" to active duty in his/her role as a military reservist. These loans are intended to provide only the amount of working capital needed by a small business to pay its necessary obligations as they mature until operations return to normal after the essential employee is released from active military duty.

More information is at:

www.sba.gov/services/disasterassistance/index.html, then choose from the topics under "Disaster Assistance" at the center of the page.

Watching Out For You

The SBA Is Your Voice In Washington



OFFICE OF ADVOCACY

The SBA's Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, the President and federal appellate courts as friends of the court. Advocacy compiles and interprets statistics on small business and is the primary entity within the federal government to disseminate small business data.

Advocacy also funds outside research into small business issues and produces numerous publications to inform policy makers about the important role of small business in the economy and the impact of government policies on small business. In addition, the

office monitors federal agency compliance with the Regulatory Flexibility Act – the law that requires agencies to analyze the impact of their proposed regulations on small entities (including small businesses, small governmental jurisdictions and small nonprofit organizations), and consider regulatory alternatives that minimize the economic burden on small entities.

Advocacy's mission is enhanced by a team of regional advocates, located in the SBA's 10 regions. They are Advocacy's direct link to small business owners, state and local government entities, and organizations that support the interests of small entities. The regional advocates help identify regulatory concerns of small business by monitoring the impact of federal and state policies at the grassroots level. Finally, the office is headed

by the Chief Counsel for Advocacy who is appointed by the President and confirmed by the U.S. Senate.

Learn more about the Office of Advocacy at: www.sba.gov/services, then select "Small Business Advocacy" from the "Laws & Regulations" column at the bottom.

OFFICE OF THE NATIONAL OMBUDSMAN

If excessive fines, penalties or unfair regulatory enforcement by federal agencies are problems for your small business, you have a voice in Washington, D.C., through the SBA's Office of the National Ombudsman.

The National Ombudsman receives comments from small business owners, nonprofit organizations and small government entities. Comments are forwarded to federal agencies for review, and in some cases fines may be lowered or eliminated and decisions changed in favor of the small business owner. Each year the National Ombudsman files a report with the U.S. Congress on how federal agencies have treated small businesses.

To request help, send the National Ombudsman a completed Federal Agency Comment Form. You may do this by fax at (202) 481-5719; online at the Ombudsman's Web page: www.sba.gov/serviceslawsandregulations/ombudsman/index.html, or by mail at: 409 Third Street S.W., Mail Code 2120, Washington, DC 20416.

The Ombudsman also coordinates 10 regional regulatory fairness boards which meet regularly to receive comments about federal regulations affecting small businesses.

Learn more about the National Ombudsman from the Web site above or call (888) REG-FAIR.

OTHER ASSISTANCE [In Michigan]

OTHER SOURCES OF ASSISTANCE

BIZ RESOURCE CENTERS (BRCs)

The Biz Resource Center (BRC) partner program of the Michigan Small Business & Technology Development Center provides a one-stop location where current and future small business owners can access information needed for the successful launch of a small business. Available resources include the latest computer technology, hardware and software and an extensive small business reference library of hard copy books and publications to help you plan or expand your business. The Michigan BRCs are located as follows:

BIZ RESOURCE CENTER AT MICHIGAN WORKS! SERVICE CENTER

1040 S. Winter Street
Adrian, MI 49221
(517) 266-5627
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT ALPENA COMMUNITY COLLEGE

666 Johnson Street
Alpena, MI 49707
(989) 358-7375
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS! SERVICE CENTER

North Pointe Plaza
4061 N. Euclid
Bay City, MI 48706
(989) 667-0500
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT BOYNE DISTRICT LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

201 E. Main Street
Boyne City, MI 49712
(231) 582-7861
Hours: Monday-Thursday, 9:00am - 8:00pm;
Friday, 9:00am - 5:00pm;
Saturday, 9:00am - 3:00pm

PERE MARQUETTE DISTRICT LIBRARY

101 E. Fourth Street
Clare, MI 48617
(989) 386-7576
Hours: Monday-closed
Tuesday & Wednesday 12:00pm - 8:00 pm;
Thursday 10:00 am - 6:00pm;
Friday 10:00am - 5:00pm;
Saturday 10:00am - 2:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

43630 Hayes, Suite 100
Clinton Township, MI 48038
(586) 263-1501
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT DETROIT REGIONAL CHAMBER SMALL BUSINESS ASSISTANCE CENTER

1 S. Woodward Avenue
Detroit, MI 48226
(866) MBR-LINE
Hours: Monday-Friday, 8:30am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

2831 N. Lincoln Road
Escanaba, MI 49829
(906) 789-9732
Hours: Monday-Thursday, 8:00am - 5:00pm;
Friday, 9:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS! GLADWIN

150 Commerce Court
Gladwin, MI 48624
(989) 240-0059
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MONTCALM COMMUNITY COLLEGE M-TEC

1325 Yellow Jacket Drive
Greenville, MI 48838
(616) 754-7706
Hours: Monday-Thursday, 8:00am - 9:00pm;
Friday, 8:00am - 4:00pm

BIZ RESOURCE CENTER AT FINLANDIA UNIVERSITY PORTAGE CAMPUS

200 Michigan Street
Hancock, MI 49930
(906) 487-7344
Hours: Monday-Friday, 8:00am - 4:30pm

BIZ RESOURCE CENTER AT MID MICHIGAN COMMUNITY COLLEGE M-TEC

1375 S. Clare Avenue
Harrison, MI 48625
(989) 386-6630
Hours: Monday-Thursday, 8:00am - 8:00pm
Friday, 8:00am - 4:30pm

BIZ RESOURCE CENTER AT HILLSDALE SCMW! SERVICE CENTER

21 Care Drive
Hillsdale, MI 49242
(517) 437-3381
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT JACKSON SCMW! SERVICE CENTER

209 E. Washington Street, Suite 100
Jackson, MI 49201
(517) 841-5627
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN SMALL BUSINESS & TECHNOLOGY DEVELOPMENT CENTER

526 N. Burdick Street
Kalamazoo, MI 49007
(269) 492-1624
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT LANSING REGIONAL CHAMBER OF COMMERCE

300 E. Michigan Avenue
Lansing, MI 48039
(517) 487-6340
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT SCHOOLCRAFT COLLEGE

VisTaTech Center
18600 Haggerty
Livonia, MI 48152
(734) 462-4438
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

1498 O'DoVero Drive
Marquette, MI 49855
(906) 228-3075
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MARSHALL DISTRICT LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

124 W. Green Street
Marshall, MI 49068
(269) 781-7821
Hours: Monday-Thursday, 10:00am - 8:30pm
Friday, 10:00am - 5:30pm;
Saturday, 10:00am - 3:00pm;
Sunday, 1:00pm - 4:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS! SERVICE CENTER

1409 Washington Street
Midland, MI 48640
(989) 631-3073
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT HACKLEY PUBLIC LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

316 West Webster Avenue
Muskegon, MI 49440
(231) 722-7276
Hours: Monday-Wednesday,
9:00am - 8:00pm;
Thursday-Saturday, 9:00am - 5:00pm

BIZ RESOURCE CENTER NILES MAIN STREET

210 E. Main Street
Niles, MI 49120
(269) 687-4332
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT NORTHWEST MICHIGAN WORKS!

Little Traverse Bay Bands of Odawa
2225 Summit Park Drive
Petoskey, MI 49770
(231) 347-5150
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT PORTLAND DISTRICT LIBRARY (IN PARTNERSHIP WITH MSHDA MAIN STREET)

334 Kent Street
Portland, MI 48875
(517) 647-6981
Hours: Monday-Thursday, 9:00am - 6:00pm;
Friday, 9:00am - 5:00pm;
Saturday, 9:00am - 3:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

3875 Bay Road, Suite 7
Saginaw, MI 48603
(989) 249-5232
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

1118 E. Easterday Avenue
Sault Ste. Marie, MI 49783
(906) 635-1752
Hours: Monday-Friday, 8:00am - 5:00pm

OTHER ASSISTANCE [In Michigan]

BIZ RESOURCE CENTER AT MICHIGAN WORKS!

Downriver Community Conference
15100 Northline Road, Room 179
Southgate, MI 48195
(734) 362-3442
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN WORKS! SERVICE CENTER

4480 West M-61/P.O. Box 829
Standish, MI 48658-0829
(989) 846-2111
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT NORTHWEST MICHIGAN WORKS!

1209-C S. Garfield Road
Traverse City, MI 49686
(800) 442-1074
Hours: Monday-Friday, 8:00am - 5:00pm

BIZ RESOURCE CENTER AT MICHIGAN BUSINESS & PROFESSIONAL ASSOCIATION

Michigan Food & Beverage Association
27700 Hoover Road, Suite 100
Warren, MI 48093
(586) 393-8800
Hours: Monday-Friday, 10:00am - 4:00pm

BIZ RESOURCE CENTER AT EASTERN MICHIGAN UNIVERSITY/WASHTENAW COMMUNITY COLLEGE

306 Gary M. Owen Building
300 W. Michigan Avenue
Ypsilanti, MI 48197
(734) 487-0355
Hours: Monday-Friday, 8:00am - 5:00pm

Financing Roundtables By Team SBA

If you are serious about seeking financing for your business, you should attend a Financing Roundtable presented by TEAM SBA. TEAM SBA is a preferred SBA lender, a business

consultant, SBA staff, and business owners like you. We'll debunk the myths and demystify the process of bank financing in plain English. You will learn how your loan application will be analyzed, what underwriting criteria are used, and how banking regulations affect the decision. We will answer your questions based upon your business model. Requirements: good credit, a solid business idea, and some money to invest in your business.

Note: The SBA does not provide loan guarantees to real estate investment firms and this type of financing is not discussed at the roundtables.

The roundtables are free to attend, but you must register in advance and meet the criteria listed above. Visit the Michigan District Office calendar of events for the latest list of TEAM SBA's at:

www.sba.gov/localresources/district/mi/news/MI_EVENTS.html

WEB RESOURCES

The following is a quick reference to many helpful Web sites for Michigan entrepreneurs. Listing does not imply endorsement by the SBA.

GENERAL SMALL BUSINESS INFORMATION

U.S. Small Business Administration
www.sba.gov
Calendar of Events
www.sba.gov/localresources/district/mi/MI_EVENTS.html
Michigan Economic Development Corporation www.michiganadvantage.org
SBA On-line Library
www.sba.gov/tools/resourcelibrary/index.html
SBA On-line Training
www.sba.gov/services/training/index.html
Small Business Information Center
<http://sbdnet.org>
State of Michigan www.michigan.gov
U.S. Business Advisor www.business.gov
Office of Women's Business Ownership
www.sba.gov/aboutsba/sbaprograms/onlinewboc/index.html

E-MAIL COUNSELING

Michigan Small Business & Technology Development Centers
www.gvsu.edu/misbtdc/
SCORE www.score.org

SAMPLE BUSINESS PLANS

SBA
www.sba.gov/smallbusinessplanner/index.html
MI-SBTDC
www.gvsu.edu/misbtdc/index.cfm?id=7C14D071-0515-5F9C-EB7C26E2ECA70535
ASBDC <http://sbdnet.org/SBIC/bplans.php>

LEGAL AND REGULATORY INFORMATION

Business Law www.business.gov
Michigan Business License Search
www.michiganadvantage.org
NAICS code search and Size Standards
www.sba.gov/services/contractingopportunities/sizestandardtopics/index.html
National Ombudsman
www.sba.gov/aboutsba/sbaprograms/ombudsman/index.html
UPC Bar Codes www.uc-council.org

E-COMMERCE

A "How-to" Guide
www.sba.gov/services/training/index.html

TAXES

IRS Small Business/Self Employed
www.irs.gov
Michigan Dept. of Treasury
www.michigan.gov/treasury

FINANCING

SBA Loan Guaranty Programs
www.sba.gov/services/financialassistance/index.html
List of Venture Capital in Michigan
www.michigan.org/medc/home/investors.asp
Small Business Innovation Research
www.sba.gov/aboutsba/sbaprograms/sbir/index.html
Catalog of Federal Domestic Assistance
www.cfa.gov

GOVERNMENT CONTRACTING

SBA-Government Contracting Office
www.sba.gov/aboutsba/sbaprograms/gc/index.html
Federal Procurement Opportunities
www.fbo.gov
HUBZones www.sba.gov/hubzone
Guide to Selling to the Federal Government for Women
www.sba.gov/services/training/index.html
Federal Technical Data Solution (FedTeDS)
www.fedteds.gov
Online Representative & Certification Application (ORCA)
<https://orca.bpn.gov>
Accessing Contracts and Subcontracts for 7(j) Business Owners
http://app1.sba.gov/survey/training_contracts
North American Industrial Classification System (NAICS)
www.census.gov/epcd/naics02/

EXPORT INFORMATION

SBA Office of International Trade
www.sba.gov/aboutsba/sbaprograms/internationaltrade/index.html
The U.S. Government Export Portal
www.export.gov
Michigan District Export Council
www.exportmichigan.com

PATENTS, TRADEMARKS AND COPYRIGHTS

U.S. Copyright Office <http://copyright.gov>
U.S. Patent and Trademark www.uspto.gov
The Entrepreneur's Network
www.tenonline.org

VETERANS

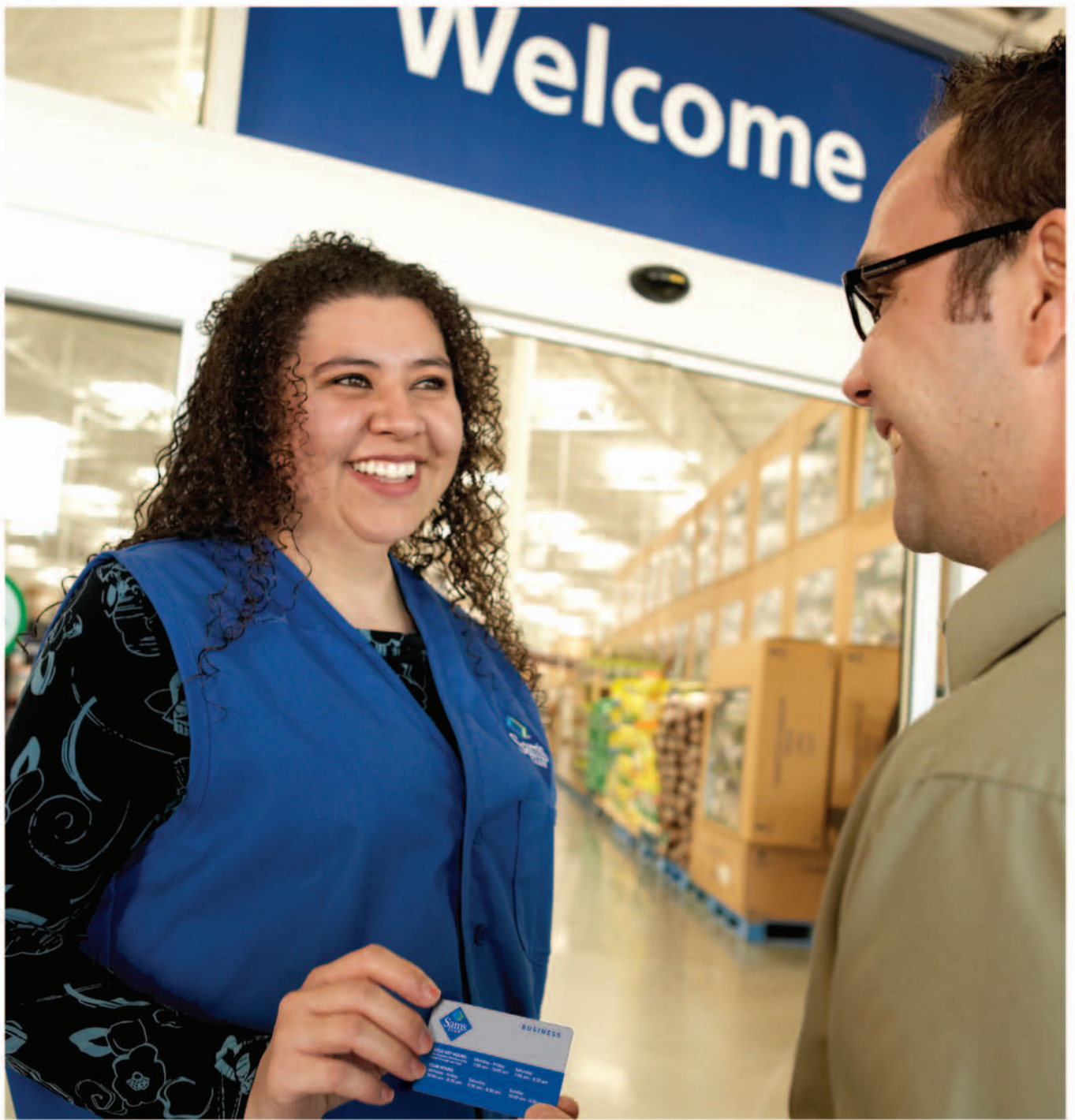
Federal Web Portal for Veterans in Business www.vetbiz.gov
SBA Veterans Business Development
www.sba.gov/aboutsba/sbaprograms/ovbd/index.html
VetBizCentral www.vetbizcentral.com

WOMEN

SBA's Office of Women's Business Ownership
www.sba.gov/aboutsba/sbaprograms/onlinewboc/index.html
Women Selling to Federal Government
www.womenbiz.gov
Michigan Women's Marketplace
www.miwomen.com
Center for Empowerment and Economic Development www.miceed.org

YOUNG ENTREPRENEURS

SBA
www.sba.gov/services/specialaudiences/youngentrepreneurs/index.html
Mind Your Own Business www.mindyourownbiz.org



HELPING SMALL BUSINESS FOR MORE THAN 20 YEARS

For more than two decades, our company has helped businesses grow and succeed by providing savings on merchandise and services. We commend your hard work and dedication, as well as the achievements that follow.

You take care of business.
We'll take care of you.

For a Club near you, call 1.800.881.9180
or visit [samsclub.com](https://www.samsclub.com).



Preferred Lenders

SBA's most active and expert lenders qualify as Preferred Lenders. Participants are delegated partial or full authority to approve loans which results in faster service. Preferred lenders are chosen from among the SBA's best lenders and enjoy full delegation of lending authority. This authority must be renewed at least every two years and each lender's portfolio is examined by the SBA periodically.

PREFERRED LENDERS SERVING MICHIGAN

1st Source Bank
Ann Arbor Commerce Bank
Associated Bank
Banco Popular
Bank of Auburn Hills
Bank of Michigan
Best Bank
Branch Banking and Trust Company
Brighton Commerce Bank
Business Lenders
Business Loan Express
Capitol National Bank
Charter One Bank
Chase
CIT Small Business Lending
Citizens Bank
Citizens First Savings Bank
Comerica Bank
Community Shores Bank
Detroit Commerce Bank
Fifth Third Bank
Grand Haven Bank
Huntington National Bank
Irwin Union Bank
Kent Commerce Bank
KeyBank
LaSalle Bank (Bank of America)
Macomb Community Bank
MainStreet Lender
Mercantile Bank of Michigan
Muskegon Commerce Bank
National City
Newtek Small Business Finance
Northwestern Bank
Oakland Commerce Bank
Paragon Bank & Trust
PNC Bank
Portage Commerce Bank
Small Business Loans Source
Stearns Bank
Temecula Valley Bank
United Bank of Michigan
UPS Capital Business Credit
Wells Fargo Bank
Zions First National Bank

SBA EXPRESS LENDERS

1st Source Bank
1st State Bank

Ann Arbor Commerce Bank
Associated Bank
Banco Popular
Bank of Alpena
Bank of Auburn Hills
Bank of Michigan
Best Bank
Branch Banking and Trust Company
Brighton Commerce Bank
Business Loan Express
Capital One
Capitol National Bank
Central State Bank
Century Bank and Trust
Charter One Bank
Chase
Chemical Bank and Trust
Citizens Bank
Citizens First Savings Bank
Citizens National Bank of Cheboygan
Clarkston State Bank
Comerica Bank
Community Central Bank
Community Financial Members
Federal Credit Union
Community Shores Bank
Davison State Bank
Detroit Commerce Bank
Fifth Third Bank
First Bank
First National Bank of Michigan
Franklin Bank
Grand Haven Bank
Greenville Community Bank
Hillsdale County National Bank
Honor State Bank
Huntington National Bank
Huron Community Bank
Independent Bank
Irwin Union Bank
Kent Commerce Bank
KeyBank
Keystone Community Bank
LaSalle Bank (Bank of America)
Macatawa Bank
Macomb Community Bank
Mason State Bank
Michigan Schools & Government CU
Mercantile Bank of Michigan
Muskegon Commerce Bank
National City
New Liberty Bank
Newtek Small Business Finance
Northland Area FCU
Northstar Bank
Northwestern Bank
Oakland Commerce Bank
Old Mission Bank
Oxford Bank

Paragon Bank & Trust
Paramount Bank
Peoples State Bank
PNC Bank
Portage Commerce Bank
Seaway Community Bank
Stearns Bank
TCF National Bank
T&C FCU
The State Bank
The State Savings Bank
Thumb National Bank & Trust
United Bank of Michigan
UPS Capital Business Credit
USA CU
Wells Fargo Bank
Zions First National Bank

SBA PATRIOT EXPRESS LENDERS

1st Source Bank
1st State Bank
Ann Arbor Commerce Bank
Banco Popular
Bank of Auburn Hills
Bank of Michigan
Best Bank
Branch Banking and Trust Company
Business Loan Express
Central State Bank
Charter One Bank
Chase
CIT Small Business Lending
Citizens Bank
Citizens First Savings Bank
Citizens National Bank of Cheboygan
Comerica Bank
Fifth Third Bank
First National Bank of Michigan
Huntington National Bank
Huron Community Bank
Irwin Union Bank
KeyBank
LaSalle Bank (Bank of America)
Mason State Bank
Mercantile Bank of Michigan
National City
New Liberty Bank
Newtek Small Business Finance
Northwestern Bank
Peoples State Bank
PNC Bank
Portage Commerce Bank
Seaway Community Bank
Small Business Loans Source
Stearns Bank
TCF National Bank
Thumb National Bank & Trust
Wells Fargo Bank
Zions First National Bank

Q: Who can save any business
up to **30%** on health care?



HAP's Value PlansSM can save you up to **30%** off your current health care premiums. How? Our alternative plan designs feature higher deductibles and co-insurance that reduce your premiums. Your employees continue to have access to leading hospitals and physicians along with consumer-friendly online health informational tools, preventive care coverage and optional Health Savings Account (HSA). HAP's Value PlansSM help offer predictability with the cost savings you seek.

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